



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.25.1

SEPTEMBER 16, 2024

EFFECTIVE DATE

(10-01-2024)

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) IRM 25.25.1.1.6 - Updated to include acronym for Taxpayer Services. IPU 24U0802 issued 06-26-2024.
- (2) IRM 25.25.1.3(3) HQ may input a TC 810 RESP CD 8 during certain scenarios. IPU 24U0249 issued 02-12-2024
- (3) IRM 25.25.1.3.2 - Updated Mailbox name.
- (4) IRM 25.25.1.3.2(4) Added to the Note to include the last four digits of the EIN in the subject line when referring the case to Entity Fabrication. IPU 23U1089 issued 11-15-2023
- (5) IRM 25.25.1.3.2.1 - Capitalized the acronym CARES, adding link to IRM 25.25-4 and corrected grammatical errors, Switched Box 1 with Box 2, added COVID refundable credits with form line items.
- (6) IRM 25.25.1.3.2.1(4) Box #2 Changed to include all credit types associated with the Families First Coronavirus Response Act (FFCRA) & Coronavirus Aid, Relief, and Economic Security (CARES). IPU 24U0872 issued 07-26-2024.
- (7) IRM 25.25.1.3.2.1(4) - Correction to FRP Activity Code and other minor grammatical corrections. IPU 24U0848 issued 07-17-2024.
- (8) IRM 25.25.1.3.2.1(4) - Updated all scenarios in If and Then chart for selected returns posted as TC 150. IPU 24U0802 issued 06-26-2024.
- (9) IRM 25.25.1.3.2.2 - Capitalized the acronym CARES, adding link to IRM 25.25-4 and corrected grammatical errors. Switched Box 1 with Box 2, added COVID refundable credits with form line items
- (10) IRM 25.25.1.3.2.2 (6) Box #2 Changed to include all credit types associated with the Families First Coronavirus Response Act (FFCRA) & Coronavirus Aid, Relief, and Economic Security (CARES).
- (11) IRM 25.25.1.3.2.2(6) - Correction to FRP Activity Code and other minor grammatical corrections. IPU 24U0848 issued 07-17-2024.
- (12) IRM 25.25.1.3.2.2(6) - Updated all scenarios in If and Then chart for selected returns not posted as TC 150. IPU 24U0802 issued 06-26-2024.
- (13) IRM 25.25.1.3.2.2 Updated the RESP CD in #6 of the If/Then chart to 8. IPU 24U0269 issued 02-20-2024
- (14) IRM 25.25.1.3.2.2 (5) updated the If/And/Then chart to included updated instruction regarding systemic input of the TC 810 and the input of a TC 971 AC 717 which will systemically generate a TC 810 RESP-Unit/JURISDICTION-CD 8 for SBSE referrals. IRM 25.25.1.5 (3) Grammatical correction. IPU 24U0249 issued 02-12-2024

- (15) IRM 25.25.1.3.2.2(5) Boxes 2 and 6 removed the input of a TC 570 due to prior addition of the TC 810 that replaces the need for the TC 570. Box 4 added Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. IPU 23U1089 issued 11-15-2023
- (16) IRM 25.25.1.3.2.4 - Correction to OUO information.
- (17) IRM 25.25.1.3.2.6(1) - Updated BMFIC Letter recording instructions.
- (18) IRM 25.25.1.3.2.6 Updated the title to remove the word Responses. IPU 24U0249 issued 02-12-2024
- (19) IRM 25.25.1.3.2.7(2) - Corrected the received date type used for paper returns.
- (20) IRM 25.25.1.3.2.7 Removed the or statement "The return has a tax liability of zero on the total tax line of the return" in #4 box 1, as this is no longer pertinent. IPU 24U0249 issued 02-12-2024
- (21) IRM 25.25.1.3.3.2 - Updated "Based" to Base in paragraph 8b & other grammatical errors, added title to IRM referenced in paragraph 9.
- (22) IRM 25.25.1.3.3.3 - Updated mailbox name.
- (23) IRM 25.25.1.3.3.3 Updated title to include TC 971 AC 717, updated to include the -Q freeze and added #3 with information regarding the TC 971 AC 717. IPU 24U0249 issued 02-12-2024
- (24) IRM 25.25.1.3.3.4 -Grammatical corrections.
- (25) IRM 25.25.1.3.4 - Grammatical corrections.
- (26) IRM 25.25.1.4(2) - Grammatical Corrections.
- (27) IRM 25.25.1.4 Updated to remove Letter 5263C documentation requirements since letter responses are now being loaded onto the BMF IDT SharePoint site. Added an exception stating documentation in AMS does not apply for bulk closures completed by HQ staff. IPU 23U1089 issued 11-15-2023
- (28) IRM 25.25.1.5(3) - Added a sentence for EFDS MOC update errors and referring those to the POC.
- (29) IRM 25.25.1.5 Grammatical updates. IPU 24U0269 issued 02-20-2024
- (30) IRM 25.25.1.5 (3) Grammatical correction and added information to #2. IPU 24U0249 issued 02-12-2024
- (31) IRM 25.25.1.5.1 - Updated Mailbox name.
- (32) IRM 25.25.1.5.2 - Grammatical corrections.
- (33) IRM 25.25.1.5.2 (4 & 7) - Added a note to #4 with instructions when an account must be locked but is not a fabricated entity. Added #7 that a note will be added to BMFIC for end of year processing when returns remain in Ace/Collections, PS 31. IPU 24U0249 issued 02-12-2024
- (34) IRM 25.25.1.5.2(6) Added #6 with guidance pertaining to batch processing EF inventory. IPU 23U1089 issued 11-15-2023
- (35) IRM 25.25.1.5.2.4 - Corrected "following" to "follow" and "fro" to "for". Mailbox updated and added links to exhibits.
- (36) IRM 25.25.1.5.2.4 Added guidance to #3 in the chart when a fraud referral is rejected and clarified procedures for #4. IPU 24U0269 issued 02-20-2024

- (37) IRM 25.25.1.5.2.4 (4 & 5) Separated Bank Lead referrals from OARs and added an If/And/Then chart with guidance on the different scenarios. IPU 24U0249 issued 02-12-2024
- (38) IRM 25.25.1.5.2.4(1) C states update EFDS MOC based on closing action, since this action is restricted to certain employees added or refer to the POC. IPU 23U1089 issued 11-15-2023
- (39) IRM 25.25.1.5.2.4(3) Updated the guidance in h when to include the BMF IDT POC. IPU 23U1089 issued 11-15-2023
- (40) IRM 25.25.1.5.2.5(1) - Updated required letter information for BMFIC when reissuing a letter.
- (41) IRM 25.25.1.6(6) - Added link to the Fraud Knowledge base.
- (42) IRM 25.25.1.8(6) & (8) - Updated mailbox name.
- (43) IRM 25.25.1.9 Updated guidance to include if there is suspected IDT involvement and made grammatical updates. New entry with guidance when the case does not meet fabricated conditions nor suspected IDT. IPU 23U1089 issued 11-15-2023
- (44) Exhibit 25.25.1-1 - Added a new filter.
- (45) Exhibit 25.25.1-1 Added a new filter. IPU 24U0269 issued 02-20-2024
- (46) Exhibit 25.25.1-1 Added new filters, descriptions and updated the note. IPU 24U0249 issued 02-12-2024
- (47) Exhibit 25.25.1-3 - Grammatical corrections.
- (48) Exhibit 25.25.1-3 Clarified content when a case is determined fabricated. IPU 24U0269 issued 02-20-2024
- (49) Exhibit 25.25.1-3 updated chart with additional guidance when dispositioning returns and updating mode of contact in EFDS. IPU 24U0249 issued 02-12-2024
- (50) IRM 25.25.1.3(3) HQ may input a TC 810 RESP CD 5 during certain scenarios. IPU 23U1089 issued 11-15-2023
- (51) Exhibit 25.25.1-3 Updated IDT Affidavit F14039 in the Referral - EF IDT Permanent instructions/Key Word-Standard Note box. IPU 23U1089 issued 11-15-2023
- (52) IRM 25.25.1 - Updated the EF Referral Mailbox throughout the IRM.
- (53) IRM 25.25.1 - Updated Wage and Investment to Taxpayer Services throughout the IRM. IPU 24U0802 issued 06-26-2024.

EFFECT ON OTHER DOCUMENTS

IRM 25.25.1 dated 09-13-2023 is superseded. This IRM also incorporates the following IRM Procedural updates IPU 24U0269 issued 02-20-2024, IPU 24U0249 issued 02-12-2024, and IPU 23U1089 issued 11-15-2023, IPU 24U0802 issued 06-26-2024, IPU 24U0872 issued 07-26-2024, IPU 24U0848 issued 07-17-2024, IPU 24U0802 issued 06-26-2024, IPU 24U0848 issued 07-17-2024, IPU 24U0802 issued 06-26-2024, IPU 24U0802 issued 06-26-2024.

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

Table of Contents

25.25.1.1 Program Scope and Objectives

25.25.1.1.1 Background

25.25.1.1.2 Authority

25.25.1.1.3 Responsibilities

25.25.1.1.4 Program Management and Review

25.25.1.1.5 Program Controls

25.25.1.1.6 Acronyms

25.25.1.1.7 Related Resources

25.25.1.2 Business Master File Identity Check (BMFIC) Database

25.25.1.3 Return Integrity and Verification Operation (RIVO) BMF IDT Procedures

25.25.1.3.1 Establishing Case

25.25.1.3.2 Case Processing

25.25.1.3.2.1 Selected Returns - Posted as TC 150

25.25.1.3.2.2 Selected Returns - Not Posted as TC 150

25.25.1.3.2.3 Reissue Letter Request

25.25.1.3.2.4 No Response Received to Letter 6042C

25.25.1.3.2.5 Cases Requiring Special Handling

25.25.1.3.2.6 Business Master File (BMF) Identity Theft (IDT) Undeliverable

25.25.1.3.2.7 Statute Procedures for RICS BMF IDT

25.25.1.3.2.7.1 BMF Statute Referral Procedures

25.25.1.3.2.7.2 Prompt Assessments and Barred Assessments

25.25.1.3.3 Closing Actions

25.25.1.3.3.1 Filing Responses

25.25.1.3.3.2 Reprocessing Returns

25.25.1.3.3.3 Input of TC 971 AC 712, 971 AC 713, or 971 AC 717

25.25.1.3.3.4 Input of TC 972 AC 711

25.25.1.3.4 Resolving Unpostables

25.25.1.4 Letter Response Correspondence Documentation Requirements

25.25.1.5 Business Masterfile (BMF) Entity Fabrication (EF) Procedures

25.25.1.5.1 Establishing a Case for BMF Entity Fabrication

25.25.1.5.2 Case Processing for BMF Entity Fabrication

25.25.1.5.2.1 Letter 5263C Response Received

25.25.1.5.2.3 Reissue Entity Fabrication (EF) Letter

25.25.1.5.2.4 Entity Fabrication (EF) Referral Mailbox Process

- 25.25.1.5.2.5 Entity Fabrication (EF) Undeliverable Responses
- 25.25.1.5.3 Closing Case Files for BMF Entity Fabrication
- 25.25.1.6 Routing/Referrals
- 25.25.1.7 Letter 6217C
- 25.25.1.8 Scanning and Loading Letter Response Correspondence
- 25.25.1.9 Business Master File (BMF) External Lead Referrals

Exhibits

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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, Taxpayer Services 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
(06-26-2024)

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
TS	Taxpayer Services
TT	Toll-Free Tax Technicians
UC	Unit Control Clerk
UCC	Uniform Commercial Code
URC	Unpostable Resolution Code
UP	Unpostable
USPS	United States Postal Service

Acronym	Definition
UTV	Unable to Verify
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
(02-12-2024)
**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) HQ staff may utilize TC 810 containing RESP-UNIT/JURISDICTION-CD of 5 or 8 to post a -Q freeze on the account in specific workaround case scenarios to ensure revenue protection. HQ staff is responsible to ensure those freezes are removed from the accounts after proper case resolution.
- (4) 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: "148105555"
- 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 Taxpayer Services (TS).

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
(10-01-2024)
Case Processing

#

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

##

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

##

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:
- a. 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).
 - b. IRM 21.7.3, Unemployment Taxes (e.g., Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return).
 - c. 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).
 - d. 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:
- a. If case corrections are necessary, follow existing IRM procedures to resolve any issues and close the case.
 - b. 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.

- (12) Account research includes researching selected return DLN to determine if that return is a mixed entity or mixed period return to ensure the proper case processing actions are completed on all associated tax modules for that same return.
- (13) When researching cases or accounts to complete case processing, if a case is found to have been worked incorrectly, corrective actions must be taken to correctly close case based on correct case determination made.
- Note:** If a BMF IDT IDRS control base was opened in error, close the control base using "MISC" as category code

25.25.1.3.2.1
(10-01-2024)
**Selected Returns -
Posted as TC 150**

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

#

- (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.

#

- (4) If the determination made does not result in ID Theft or a fabricated entity, follow the chart below:

If	Then
1	<p>Note: Each week the POC/back up POC should check the spread-sheet for completeness and place it in SBSE's shared drive. For more instructions refer to the BMF IDT SharePoint link listed above.</p>

[illegible]

#####

If	Then

[illegible]#
#

- (6) Any referral sent to SBSE as outlined in scenario 1 & 2 above must meet the following additional criteria or one of the exceptions outlined below. Refundable credits include the following form line items:
- CREDIT QLFY COVID SICK FAMIL (e.g., F941 Line 11b; F943 Line 12b; F944 Line 8b)
 - CREDIT COVID EMPL RTNTN (e.g., F941 Line 11c; F943 Line 12c; F944 Line 8c)
 - CRDT QUAL SCK AND LV WGS (e.g., F941 Line 11d; F943 Line 12d; F944 Line 8d)
 - NONRFNDBLE COBRA AST CREDIT (e.g., F941 Line 11e; F943 Line 12e; F944 Line 8e)
 - RFDBL COVID SICK FAMILY AMT (e.g., F941 Line 13c; F943 Line 14d; F944 Line 10d)
 - RFDBL EMPL RTNTN CR COVID (e.g., F941 Line 13d; F943 Line 14e; F944 Line 10e)
 - RFDBL CRDT QSF AFTER MARCH (e.g., F941 Line 13e; F943 Line 14f; F944 Line 10f)
 - RFDBL COBRA PREM AST CREDIT (e.g., F941 Line 13f; F943 Line 14g; F944 Line 10g)

#

Exception: Threshold above does not apply to returns claiming refundable credits that are part of a known IDT or fraud scheme (HQ provided additional details to identify those). All those returns must be referred to SBSE regardless of total in refundable credits claimed.

Exception: If a business entity has any one tax period return meeting the threshold above, then all associated tax period returns must also be referred to SBSE

25.25.1.3.2.2
(10-01-2024)
Selected Returns - Not
Posted as TC 150

- (1) These procedures apply to BMF IDT returns selected where the return was not
- (2) 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.
- (3) 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.

#

- (4) 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.

#

- (6) If the determination made does not result in ID Theft or a fabricated entity, follow the chart below:

#####

If	Then
<p>Note: For a list of refundable credits and form line items, refer to IRM 25.25.1.3.2.2 (8) .</p>	

#

If	Then

#####

If	Then

#

#####

#

- (8) Any referral sent to SBSE as outlined in scenario 1 & 2 above must meet the following additional criteria or one of the exceptions outlined below. Refundable credits include the following form line items:
- CREDIT QLFY COVID SICK FAMIL (e.g., F941 Line 11b; F943 Line 12b; F944 Line 8b)
 - CREDIT COVID EMPL RTNTN (e.g., F941 Line 11c; F943 Line 12c; F944 Line 8c)
 - CRDT QUAL SCK AND LV WGS (e.g., F941 Line 11d; F943 Line 12d; F944 Line 8d)
 - NONRFNDBLE COBRA AST CREDIT (e.g., F941 Line 11e; F943 Line 12e; F944 Line 8e)
 - RFDBL COVID SICK FAMILY AMT (e.g., F941 Line 13c; F943 Line 14d; F944 Line 10d)
 - RFDBL EMPL RTNTN CR COVID (e.g., F941 Line 13d; F943 Line 14e; F944 Line 10e)
 - RFDBL CRDT QSF AFTER MARCH (e.g., F941 Line 13e; F943 Line 14f; F944 Line 10f)
 - RFDBL COBRA PREM AST CREDIT (e.g., F941 Line 13f; F943 Line 14g; F944 Line 10g)

Note: Line number references above are from Form 941 (Rev. 6-2021); Form 943 (2021); Form 944 (2021) therefore they may differ from other form versions.

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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
(10-01-2024)

No Response Received to Letter 6042C

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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:
- Closing open IDRS BMF IDT control bases.
 - Taking applicable account actions.
 - 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
(10-01-2024)
Business Master File
(BMF) Identity Theft
(IDT) Undeliverable

- (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.	<div><div></div>Ensure undeliverable was recorded received in Correspondence section of BMFIC.</div> <div><div></div>Destroy letter as classified waste, per IRM 21.5.1.4.10, Classified Waste.</div>

If ...	Then ...
Envelope does contain an affixed USPS forwarding 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. • Update the "Letter" tab in BMFIC with the following information: Type of letter, reissued date and mark the appropriate box to show reissued to business/owner. • 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
(10-01-2024)
**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 a valid IRS stamped received date or an IRS handwritten received date. 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 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.

If...	Then...
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.	<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.
3 - ASED Statute Barred The ASED is expired and the return has a tax liability greater than zero claimed on the return.	<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 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

(10-01-2024)

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 base 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 to be processed or reprocessed as the original return, refer to IRM 25.25.1.3.2.7, Statute Procedures for RICS BMF IDT. On the router list "Statute Imminent, Please Expedite" as the reason for referral.

25.25.1.3.3.3

(10-01-2024)

**Input of TC 971 AC 712,
971 AC 713, or 971 AC
717**

- (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 -Q freeze (TC 810 RC 4). 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) TC 971 AC 717 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 -Q freeze (TC 810 RC 8). 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.

(4)

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, AC 713, or AC 717

- TC> Enter 971
- TC971/151-CD> Enter 712, 713, or 717 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 "TS RICS NOT IDT"

Note: If the tax module already contains a posted TC 150, **do not** input a TC 971 AC 712, AC 713, or AC 717 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 unpostable. 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
(10-01-2024)
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 "TS RICS NOT IDT"

25.25.1.3.4
(10-01-2024)

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.
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
(10-01-2024)
**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 Form W-2's submitted. Does that match our records in IDRS?)
 - Summary of the research conducted to support the determination made.

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Exception: Documentation/Final Determination requirements for AMS input do not apply to case closures completed in bulk by HQ staff only.

- (2) The following Letter 5263C response and other information must be included in both BMFIC and AMS:
- Results of verification performed on the information provided. (e.g., response lists number of Form W-2's submitted. Does that match our records in IDRS?).
 - Summary of the research conducted to support the determination made.

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Exception: Documentation/Final Determination requirements for AMS input do not apply to case closures completed in bulk by HQ staff only.

- (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.
- 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.

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25.25.1.5
(10-01-2024)
**Business Masterfile
(BMF) Entity Fabrication
(EF) Procedures**

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25.25.1.5.1
(10-01-2024)
**Establishing a Case for
BMF Entity Fabrication**

- (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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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 Taxpayer Services (TS).

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
(10-01-2024)

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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- (2) 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. Route complete responses to Entity for processing. For responses requesting changes and DO NOT contain the completed form, issue Letter 6217C advising the business to file a completed Form 8822-B. DO NOT update the business's entity information.

- (3) If the account is determined to be Fabricated, update the Sort Name in IDRS to “POTENTIAL FAB EIN.” Use *IDRS CC ENREQ* to complete this update. See the job aid on the SERP Portal for additional information on how to update the Sort Name.
- (4) For referrals received from RIVO BMF IDT, review case notes and correspondence to assist with research. If it is determined the account is **not** a Fabricated Entity, the TC 971-524 check box must be deselected from all associated BMF IDT cases in BMFIC as part of the closing actions.

Note: If the account needs to be locked but is not a Fabricated Entity, update the 'Other Account Lock TC 971-524' checkbox on the Entity Fabrication tab. Refer to IRM 25.23.9-1(3), Transaction Code (TC) 971 Action Code (AC) 5XX - MISC Codes. Add the suggested 971-524 MISC code in the 'Owner Phone Type' field on the Business & Owner Details tab in BMFIC.

- (5) Every attempt will be made to work correspondence within 30 days from correspondence received date.
- (6) Periodically Entity Fabrication inventory will be reviewed and processed en masse. When this occurs, some of the normal closing actions may not be performed. These actions include but are not limited to:
 - Updating the Electronic Fraud Detection System (EFDS) Mode of Contact (MOC) and notes.
 - Inputting Account Management Services (AMS) Standard Notes.

Note: When these accounts are determined fabricated, Headquarter (HQ) analysts will submit a ticket to update the EFDS MOC to 'Suspicious' and add the Standard. **Caution: All IDRS and BMFIC actions must be taken.**

- (7) EINs with associated Individual Master File (IMF) returns remaining in the EFDS disposition “Ace Collections” or Process Status (PS) 31, at the end of the year when EFDS goes offline will be tracked using the ‘Other Review’ checkbox in BMFIC. The following note will be placed in BMFIC “IMF returns remain in PS 31 for this EIN for the YYYY (YYYY = year return was placed in PS 31) tax year and must be treated.”

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.	<div>1. Input a TC 971 AC 504 on CC ENMOD using REQ77 or REQ77 IAT tool.</div> <div>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.</div> <div>3. Input the EIN of Fabricated Entity in the XREF-TIN field.</div> <div>4. Input SPCL2 as the MISC. field.</div> <div>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.</div>

If ...	And ...	Then ...
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.
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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- Reissue the Letter 5263C
- Update IDRS control activity: "LTRREISSU"
- Update BMFIC to input the date you reissued the letter

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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, “TS 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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(5) For guidance when working Bank Lead referrals follow the chart below:

If	And	Then
1. Check is determined to be Altered or Stolen		<ul style="list-style-type: none"> If not denoted in subject line "Funds Requested," request issuance of the Indemnification Letter to request for funds to be recovered.

[illegible]

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25.25.1.5.2.5
(10-01-2024)

(1) Letters 5263C received as undeliverable should be handled as follows:

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.
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. • Update the "Letters" tab in BMFIC with the following information: Type of letter, reissued date and mark the appropriate box to show reissued to business/owner. • 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)

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

Closing Case Files for
BMF Entity Fabrication

- 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
(10-01-2024)
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. Refer to the *Fraud Knowledge Base SharePoint* for additional information and resources to assist with Fraud referrals.
 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.

- 25.25.1.8
(10-01-2024)
Scanning and Loading
Letter Response
Correspondence

(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.

- (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	The correspondence, including documents with the IRS received date stamps. 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.
2	Any small pieces of paper.

BMF Documents	Assemble each document in the following order:
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
- (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.

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25.25.1.9
(10-01-2024)
**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 *TS EF Referrals mailbox for Entity Fabrication review. After Entity Fabrication has conducted a review, if there is suspected IDT involvement, a response email containing the Entity Fabrication results will be forwarded to the BMF IDT workgroup POC for review along with the External Lead 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 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 originator and 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 and IDT is suspected, send the referral to the BMF IDT POC for potential IDT review. Include the originator and the External Lead POC for awareness that the response will come from the BMF IDT POC. Include all attachments and 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) If case determination is not fabricated and return is not IDT, send the referral back to the originator and External Lead POC. Include the EF case determination/summary notes, along with the research conducted that supports the 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.

(5) When a BMF External Lead referral is received from Entity Fabrication either confirming the entity was deemed fabricated or requesting review for suspected 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 the 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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