

## **Memorandum of Understanding Between The National Taxpayer Advocate and the Commissioner, Wage & Investment to Transition TAS Criteria 5-7 Identity Theft Cases to Wage & Investment Identity Protection Specialized Unit (IPSU)**

Through this Memorandum of Understanding (MOU), the National Taxpayer Advocate, who establishes identity theft case referral criteria and the Commissioner, Wage & Investment (W&I), who establishes processing mechanisms for TAS referrals have reached an agreement for the referral and processing of identity theft cases. This guidance permits the IPSU to apply its expertise to resolve identity theft problems for taxpayers while preserving access to TAS for taxpayers whose circumstances warrant TAS assistance. This guidance benefits taxpayers by allowing them to work directly with W&I personnel who specialize in identity theft problems.

IRC §7803(c)(2)(C)(ii) says “the National Taxpayer Advocate shall develop guidance to be distributed to all Internal Revenue Service officers and employees outlining the criteria for referral of taxpayer inquiries to local offices of taxpayer advocates.” Thus, this MOU incorporates the National Taxpayer Advocate’s guidance with respect to ID theft referrals to local TAS offices and also contains the agreed upon procedures used to transmit cases between these parties.

### **Economic Burden TAS Criteria 1-4**

IRS employees will send all cases meeting TAS Criteria 1-4 (Economic Burden) to TAS for resolution, where IRS is unable to provide relief or take a substantive action towards providing relief within 24 hours of receipt.

Criteria 1: The taxpayer is suffering or about to suffer economic harm.

Criteria 2: The taxpayer is facing immediate threat of adverse action.

Criteria 3: The taxpayer will incur significant costs if relief is not granted.

Criteria 4: Taxpayer will suffer irreparable injury/long term adverse impact if relief is not granted.

**Caution:** If IRS can provide relief or take a substantive action towards providing relief within 24 hours, IRS will work the case.<sup>1</sup>

### **Systemic Burden TAS Criteria 5-7: Exceptions to IPSU Processing**

Generally, IRS will refer Criteria 5-7 cases to IPSU for resolution.<sup>2</sup> However, the National Taxpayer Advocate has determined TAS will continue to resolve systemic burden cases that meet one of the following conditions:

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<sup>1</sup> Cases that can be resolved by the function within 24 hours will not be referred to TAS. See [IRM 13.1.7.4](#) Same Day Resolution.

<sup>2</sup> [IRM 13.1.7.2.2](#) TAS Case Criteria 5-7 “Systemic Burden”

1. The taxpayer declines referral to IPSU.
2. The IRS has already tried to provide relief in the past, and has failed.
3. Systemic burden cases that require advocacy which might lead to the issuance of a Taxpayer Assistance Order on behalf of the taxpayer.
4. Taxpayer cases added to TAMIS will remain in TAS and be resolved through the OAR process.<sup>3</sup>
5. Taxpayers not satisfied with the assistance provided through IPSU.
6. Taxpayers assisted by IPSU, who subsequently face economic burden while IPSU is processing their request, will come to TAS for assistance, when IPSU cannot provide relief within 24 hours.
7. Congressional cases.
8. Any cases previously open in TAS.

### **Systemic Burden TAS Criteria 5-7 Cases Eligible for IPSU Processing**

Generally, identity theft victims experiencing systemic burden, who have not specifically requested TAS assistance, may be eligible for referral to the IPSU.<sup>4</sup> This includes taxpayers who have:

- experienced a delay of more than 30 days to resolve a problem;
- not received a response or resolution to the problem or inquiry by the date promised; or
- when system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.

### **Systemic Burden Referrals to IPSU**

1. In situations where taxpayers contact TAS directly or where the IRS BOD/functional employee have referred taxpayers to TAS in error, TAS employees will (within 3 workdays of TAS receipt) complete [Form 4442](#), *Inquiry Referral* as directed by [IRM 21.9..2.10 Accounts Management Identity Theft \(10-1-2009\)](#) and fax or secure email to Accounts Management (AM), Image Control Team (ICT).<sup>5</sup>

Note: TAS employees making the determination to refer the taxpayer to IPSU will inform the taxpayer of the IPSU referral at the time of the referral either in writing or verbally, providing IPSU contact information.

2. Taxpayers who contact W&I employees that meet the exception conditions identified above, will be referred to TAS for resolution.

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<sup>3</sup> In cases retained by TAS, TAS will continue to route ID theft OARs to the appropriate functions for resolution.

<sup>4</sup> [IRM 13.1.7.2.2](#) *TAS Case Criteria 5-7 "Systemic Burden"*

<sup>5</sup> IRM 21 9.2.10 will contain procedures for directing identity theft cases to IPSU. (Insert Hyper link when available)

3. TAS will work taxpayer cases previously handled by IPSU, where the taxpayer is now seeking TAS assistance.
4. The Image Control Team (ICT) will prepare and scan the document into the Correspondence Imaging System (CIS) used by Accounts Management to control and assign work. IPSU managers will review and assign inventory daily.<sup>6</sup>
5. Accounts Managements will control cases on IDRS using category control "ITAR". This unique marker will enable TAS to track and perform case analysis, pull reports and conduct reviews to determine if the processes implemented are meeting taxpayer needs.
6. Within five workdays of the ICT Accounts Management received date, the IPSU employee will acknowledge the taxpayer's contact and initiate actions to resolve the taxpayer's issue.
7. Upon receipt, the IPSU will perform a preliminary account analysis. The purpose of this review is to ascertain additional identity theft related issues, resolve those issues if within AM authority and ensure the responsible functions initiate actions needed to resolve these issues.
8. If the issues raised by the taxpayer are not within Accounts Management's authority to resolve, IPSU will complete Form 14103, Identity Theft Assistance Request (ITAR), and forward the form/case to the appropriate function for resolution.
9. IPSU will monitor the case and contact the taxpayer every 30 days to provide the taxpayer with the case status.
10. Upon return of the form/case from the function, the IPSU will initiate a global account review. The purpose of this review is to determine whether the function completed the actions requested, all actions are posted and all taxpayer issues have been resolved.
11. Upon case resolution, IPSU will provide the taxpayer with a closing contact communicating the final case resolution. The closing contact will include contact information for the Taxpayer Advocate Service should the taxpayer disagree with the actions taken to resolve the identity theft issue.

If either party becomes aware of significant unanticipated problems that arise from the implementation of this process, both parties agree to meet to discuss and resolve the situations as soon as is possible.

## **IMPLEMENTATION AND COMMUNICATION**

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<sup>6</sup> Scanning the documents into CIS creates an IDRS control. The IDRS category control "ITAR" identifies the case as TAS criteria 5-7 identity theft referral to IPSU. The ICT will scan all identity theft related receipts within 24 hours, barring any unforeseen circumstances (i.e CIS down-time).

Identity theft cases already in TAS as of the implementation date of the Memorandum of Understanding (MOU) will remain in TAS inventory through final resolution. TAS will utilize the Operations Assistance Request (OAR) process, as needed, to advocate for these taxpayers and where necessary Taxpayer Assistance Orders pursuant to §7811 to advocate for these taxpayers.

TAS and the W&I Division will convene a cross-functional team to develop a communication strategy that will provide the terms of the transition of criteria 5-7 systemic burden identity theft to the Identity Protection Specialized Unit (IPSU) to all appropriate employees, consistent with the effective date agreed to by the parties. This agreement is effective beginning 30 days after signature.

/s/Nina E. Olson  
Nina E. Olson  
National Taxpayer Advocate

03-30-2010  
Date

/s/Peggy Bogadi  
For: Richard Byrd  
Commissioner, Wage & Investment

03-31-2010  
Date