DATE: 01/14/2025

NUMBER: ts-25-0125-0052

SUBJECT: Business Master File (BMF) Identity Theft Processing

AFFECTED IRM(s)/SUBSECTION(s): 25.23.9

CHANGE(s):

**IRM 25.23.9.6 - Added Action Code 524 with Tax Administration Code ENTLOK and definition to the chart.**

(1) BMF identity theft indicators are applied if ID theft is highly probable or the determination had been made that identity theft occurred AND the case is controlled into an ID Theft treatment stream. Each BMF ID Theft indicator is input as a Transaction Code (TC) 971 with Action Code (AC) 522 using Command Code REQ77 on the **TXMOD** of all accounts affected by identity theft. Input the indicators only if there is tax related impact, such as returns filed or income documents filed.

(2) Review the accounts for prior ID theft indicators before inputting the initial TC 971 AC 522. Use IDRS CC TXMODA or BMFOLT to view the posted transactions. **If the account is already marked with a TC 971 AC 522 IDTCLM, do not input a second code for the same MFT and Tax period even if the initial TC 971 AC 522 IDTCLM reflects another BOD/Program.**

(3) BMF Identity theft tracking indicators, unlike those used for IMF, are applied to all MFTs and Tax Periods affected by identity theft. IPSO established distinctive Tax Administration Source Codes for BMF accounts.

| Action Code | Tax Administration Code | Definition |
|---|---|---|
| 522 | IDTCLM | No taxpayer documentation provided. Research has established ID theft exists or there is a high probability that ID theft exists, refer to IRM 25.23.9.6.1, Allegation or Suspicion of BMF Identity Theft - TC 971 AC 522 IDTCLM, for more information. Taxpayer may still need to complete Form 14039-B. |
| 522 | IDTDOC | Taxpayer provided a Form 14039, Form 14039-B or Taxpayer Supporting Documentation. See *IRM 25.23.9.6.2,* Taxpayer Supporting Documentation - TC 971 AC 522 IDTDOC for more information. If a loose Form 14039-B is received and no TC 971 AC |

| | | 522 IDTCLM is on the module, input only the TC 971 AC 522 IDTDOC to indicate ID theft claim received from taxpayer. |
|---|---|---|
| 522 | CLSIDT | BMF ID theft case resolved. Refer to IRM 25.23.9.6.3, Closing BMF Identity Theft Issues - TC 971 AC 522 CLSIDT, for more information. |
| 524 | EINFAB | EIN is fabricated and the account has been locked. This TC 971 can only be input by IP and RICS |
| 524 | ENTLOK | Applied to a legitimate entity when identity theft is confirmed, and the entity is locked to prevent name, address, and responsible party updates. This TC 971 can only be input by IP and RICS |

(4) If after the account has been marked with a BMF Identity Theft Indicator, the employee determines identity theft did not occur, the BMF ID theft tracking indicator will be reversed by the employee assigned. This removes the case from identity theft inventory. See Exhibit 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for more information. All other non-identity theft issues will be resolved using normal procedures.
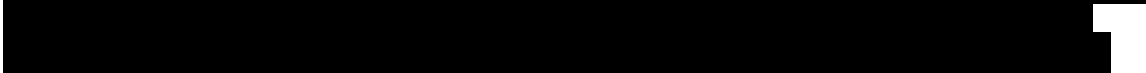
(5) If the EIN account has been locked by TC 971 AC 524 posting, this will be visible on CC BMFOLE. IRM 25.23.9-1, Transaction Code (TC) 971 Action Code (AC) 5XX - Misc Codes, for additional tax administration source codes and their descriptions that may be used for locking EIN accounts.

**IRM 25.23.9.8.4 - Input an exception stating a TC 020 will not post when a TC 971 AC 524 with miscellaneous code ENLOK is used.**

(1) Beginning January of 2017, after determining an EIN is fabricated or inactive, refer the case to your BMF ID theft Liaison using the Form 14566, BMF Identity Theft Referral, to request a TC 971 AC 524 be applied to the EIN. Be sure to document all your findings and research on the Form 14566.

(2) The input of the TC 971 AC 524 will cause the posting of a TC 020 locking the account. The TC 020 will post one cycle after the TC 971 AC 524. The TC 020 is only visible using CC BMFOLE. A TC 020 with a prior TC 971 AC 524 will not delete the entity but will prevent the posting of returns and payments to a tax module that is not already established on BMF.

**Exception:** The input of a TC 971 AC 524 with miscellaneous code ENTLOK will not post a TC 020. A TC 971 AC 524 with miscellaneous code ENTLOK only locks the entity information from being changed.

(3) **#**

**#**

(4) Prior to sending the referral to have a fabricated or inactive EIN locked, ensure:

    a. There are no balances remaining on the account.
    b. There are no credits on the module.
    c. The sort name line is changed to "Identity Theft". If there is currently a name on the sort name line, move it down to the in care of name line. Then input "Identity Theft" on the sort name line.
    d. Document the sending of the referral on AMS along with details of the request. If working a CII case, attach the referral and a PDF print of the original entity (CC ENMOD) to the case. The referral and the PDF print of the original entity should be included in the request to have the account locked.

       **Note:** For account lock reversal requests research CII for the original case and, if available, attach the PDF print of the original entity (CC ENMOD) to the secure e-mail. If the original case does not have a PDF print of the original entity attached, notate in the referral that the information was not available.

(5) Once the TC 971 AC 524 is input, IP will return the referral to the originator stating the input was completed.

(6) Do not close the case until the TC 971 AC 524 and TC 020 are posted on the account and all other account actions have been taken.

**IRM 25.23.9.10.3 - Added new subsection regarding BMF TDS transcripts when identity theft indicators are present.**

**BMF TRANSCRIPTS AND IDENTITY THEFT**

(1) As outlined in IRM 21.2.3.5.9, Transcripts and Identity Theft for Businesses, Transcript Delivery Service (TDS), is programmed to restrict the delivery of transcipts to external users when certain identity theft indicators are present for the tax year requested. These external users include tax professionals accessing TDS via e-Services and business taxpayers using Business Tax Accounts (BTA) online.

(2) **#**

**#**

(3) When receiving inquiries involving transcript requests with identity theft use IRM 25.23.11.6.5.2, BMF Transcripts and Identity Theft.

**Exhibit 25.23.9-1 - Added new TC 971 AC 524 code ENTLOK and definition to chart.**

**1. BOD**

| Business Operating Division | Definition |
|---|---|
| AP | Appeals |
| CI | Criminal Investigation |
| LB | Large Business and International |
| SB | Small Business & Self Employed |
| TA | Taxpayer Advocate Service |
| TE | Tax Exempt Government Entities |
| WI | Wage and Investment |

**2. Program Name**

**Note:** If your specific function is not listed below, elevate to your BOD/Function identity theft liaison. The liaison will contact IPSO and request an alternative until programming can be implemented for more codes.

**Caution:** Field Assistance employees are **not** profiled to input identity theft indicators on BMF accounts. Field Assistance employees will refer the case to the proper functional liaison for research and the marking of the accounts in question.

| Function | Definition |
|---|---|
| AP | Appeals |
| RC | Refund Crimes |

| | |
|---|---|
| LBI | Large Business and International |
| IPSO | Identity Protection Strategy & Oversight |
| ACS | Automated Collection System |
| AM | Accounts Management |
| ATTI | Abusive Transactions Technical |
| AUR | Automated Underreporter |
| CA | Case Advocate |
| CAWR | Combined Annual Wage Reporting |
| CE | Correspondence Exam |
| CSCO | Compliance Services Collection Operations |
| EXCISE | Excise Tax |
| FC | Field Collection |
| FE | Field Exam |
| FLDADV | Field Advisory |
| FRIV | Frivolous Filer |
| FUTA | Federal Unemployment Tax Act |
| FLDINSLV | Field Insolvency |
| RICS | Return Integrity & Compliance Services |
| SPCLTX | Employment Specialty Tax |
| TDI | Tax Delinquency Investigation |
| TEFRA | Tax Equity and Fiscal Responsibility Act of 1982 |
| EF | Entity Fabrication |
| ACSS | Automated Collection System Support |
| TEGE | Tax Exempt & Government Entities |

## 3. BMF Tax Administration Source Codes

| Action Code | Term/Acronym | Definition |
|---|---|---|
| 522 | IDTCLM | Applied to the TXMOD of the applicable MFT and Tax Period when an initial claim or suspicion of BMF identity theft is supported by preliminary research |
| 522 | IDTDOC | Applied to the TXMOD of the applicable MFT and Tax Period when the taxpayer provides complete and legible Form 14039 or Form 14039-B, and supporting documents for a BMF identity theft issue. |
| 522 | CLSIDT | Applied to the TXMOD of the applicable MFT and Tax Period when all identity theft issues are resolved |
| 524 | EINFAB | Applied to entity when EIN is fabricated and the account is locked. |
| 524 | EINFB2 | Applied to entity when EIN is **suspected** of being fabricated and the account is locked |
| 524 | INACT3 | Applied to a legitimate entity when EIN has been inactive for 3 years and the account is locked |

| 524 | INACT5 | Applied to a legitimate entity when EIN has been inactive for 5 years and the account is locked |
|------|--------|----------------------------------------------------------------------------------------------------|
| 524 | BSCLSD | Applied to a legitimate entity when business has been closed and the account is locked. |
| 524 | DFUNCT | Applied to a legitimate entity when business is defunct (no longer in operation) and the account is locked. |
| 524 | FNLRTN | Applied to a legitimate entity when business has filed a final return and the account is locked. |
| 524 | NOFR | Applied to a legitimate entity when business has no filing requirements and the account is locked. |
| 524 | ENTLOK | Applied to a legitimate entity when identity theft is confirmed, and the entity is locked to prevent name, address, and responsible party updates. |