

IRM PROCEDURAL UPDATE

DATE: 06/26/2024

NUMBER: ts-25-0624-0802

SUBJECT: Case Processing Updates

AFFECTED IRM(s)/SUBSECTION(s): 25.25.1

CHANGE(s):

IRM 25.25.1.3.2.1(4) - Updated all scenarios in If and Then chart for selected returns posted as TC 150.

(3) If research confirms IDT, or the entity has been confirmed fabricated showing an unreversed TC 971 AC 524 with **EINFAB** in the MISC field on cc ENMOD. Ensure that the TC 150 DLN matches the DLN of the selected return and complete the following actions as applicable:

- Complete the adjustment to back out the return. See IRM **25.23.9.9**, Account Actions, for additional information.
- Input TC 971 AC 522. See IRM **25.23.9-4**, BMF ID Theft indicators – TC 971 AC **522 CLSIDT** – Closed and Confirmed as BMF ID Theft, for proper input.
- Update and close IDRS control with activity: **“IDTCONFMRD.”**
- In BMFIC, update the Closure date, Closing Action to **“IDT - Confirmed”** and add any applicable notes relating to your case determination.

Note: If the account was deemed fabricated, include the following in the case notes: Case is being worked under IDT because the entity has been determined to be fabricated. If there is a Z freeze present on the account, refer to box 4 in the chart below.

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

If	Then
[Redacted]	[Redacted]

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<p>Exception: #</p> <p>#</p>	<ul style="list-style-type: none"> # <p>#</p> <ul style="list-style-type: none"> # # # #
<p>2</p> <p>#</p> <p>#</p> <p>#</p>	<ul style="list-style-type: none"> # # # 5, # # # <p># REF2SBSE"</p>

<p>I [REDACTED]</p> <p>#</p>	<p>[REDACTED]</p> <p>#</p>
<p>3 Case meets FRP criteria or there is an open control to a FRP technician's IDRS number.</p> <p>Note: Do not refer to FRP based on Frivolous filer filters present on DDBMF alone. The return must also meet FRP criteria. See IRM 25.25.10-1, Frivolous Arguments.</p>	<ul style="list-style-type: none"> Route a copy of the correspondence response received to FRP at MS/4500 – OSC using the Form 12634. Specify on the router the reason the return meets FRP criteria. <p>Note: When working no response casework and there is no correspondence received to route to FRP.</p> <ul style="list-style-type: none"> Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators – TC 972 AC 522, for reversal procedures. Update and reassign BMF IDT IDRS control with activity "NOTIDT-FRP" and assign to 1486900000. In BMFIC, update the Closure date, Closing Action to "NOT IDT – FRIV" and include why the return meets FRP criteria in your closing comments.
<p>4 Z freeze is present on the account.</p>	<ul style="list-style-type: none"> Send an email to your Technical Lead with your research notes, summary and case determination. The Technical Lead will contact Criminal Investigation (CI) and provide you with guidance once it is received from CI. <p>Note: If inputting a TC 971 AC 522, no permission is needed.</p> <ul style="list-style-type: none"> If permission is granted: Proceed with processing and closing your case. Follow existing procedures meeting your case scenario outlined within this table based on the case determination to ensure all necessary actions are taken. If permission is not granted: Update and close IDRS control with activity "TO-CI." In BMFIC, update the Closure date,

	<p>Closing Action to “CI Controlled” and include in your closing comments no adjustment was input, and document CI’s involvement.</p>
<p>5 No response to the Letter 6042C and research indicates IDT or unable to determine return is BMF IDT.</p>	<ul style="list-style-type: none"> • Complete the adjustment to back out the return, complete all other applicable account actions. See IRM 25.23.9.9, Account Actions, for additional information. • Update and close IDRS control with activity “IDT-DFLT.” • Input the TC 971 AC 522. See IRM 25.23.9-4, Business Master File (BMF) ID Theft, for proper input. • In BMFIC, update the Closure date, Closing Action to “IDT-No Reply” and add any required and applicable notes relating to your case determination.
<p>6 Research indicates the return is not BMF IDT and does not meet any of the referral criteria listed in the chart above.</p>	<ul style="list-style-type: none"> • If a TC 570 is present, input TC 571 using the date of the TC 570 you are reversing in the transaction date field. See IRM 21.5.6.4.35, -R Freeze for more information. • If a P freeze is present as a result of NOREF RICS, it must be addressed and released if applicable. See IRM 21.5.6.4.31, P- Freeze Overview, to determine which action is needed to release the P Freeze. <p>EXCEPTION: Do not input any TC that will erroneously release the credits if there is an L freeze present, and the Audit Information Management System (AIMS) shows a status of 10 or higher or another area has a hold/freeze placed on the account. This includes any pending TC’s that will set a freeze once it posts.</p> <ul style="list-style-type: none"> • Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators – TC 972 AC 522, for reversal procedures. • Update and close IDRS control activity with “NOTIDT.” • In BMFIC, update the Closure date, Closing Action to “Not IDT” and add any

	required and applicable notes relating to your case determination.
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(5) Refer to Exhibit # 25.25.1-4 #BMF IDT BMFIC Closing Action Descriptions, for additional details on closing actions to use in BMFIC.

IRM 25.25.1.3.2.2(6) - Updated all scenarios in If and Then chart for selected returns not posted as TC 150.

(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.

(5) If research confirms IDT, or the entity has been confirmed fabricated showing an unreversed TC 971 AC 524 with EINFAB in the MISC field on CC ENMOD. Ensure that the TC 150 DLN matches the DLN of the selected return and complete the following actions as applicable:

- Input TC 971 AC 522. See IRM **25.23.9-4**, BMF ID Theft Indicators – TC 971 AC 522 CLSIDT – Closed and Confirmed as BMF ID Theft, for proper input.
- Update and close IDRS control with activity: “IDTCONFIRMED.”
- In BMFIC update the Closure date, Closing Action to “IDT - Confirmed” and add any applicable notes relating to your case determination.

Note: If the account was deemed fabricated, include the following in the case notes: Case is being worked under IDT because the entity has been determined to be fabricated. If there is a Z freeze present on the account, refer to box 4 in the chart below.

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

If	Then
<p># [Redacted]</p> <p>[Redacted]</p> <p>#</p> <p>Exception: # [Redacted]</p>	<ul style="list-style-type: none"> • # [Redacted]

	
	<p data-bbox="771 373 1388 409">#</p> <p data-bbox="771 409 1388 445">Note: # </p> <p data-bbox="771 445 1388 688"></p> <p data-bbox="771 688 1388 724">#</p> <ul data-bbox="722 724 1388 1533" style="list-style-type: none"><li data-bbox="722 724 1388 892">• # <li data-bbox="722 892 1388 1039">• # <li data-bbox="722 1039 1388 1186">• # <li data-bbox="722 1186 1388 1354">• # <li data-bbox="722 1354 1388 1533">• #  <p data-bbox="771 1564 1388 1648"></p> <p data-bbox="771 1669 1388 1711">#</p> <ul data-bbox="722 1732 1388 1890" style="list-style-type: none"><li data-bbox="722 1732 1388 1890">• # 

	<ul style="list-style-type: none"> • # [REDACTED] • # [REDACTED] • # [REDACTED]
<p># 2</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> • # [REDACTED] • # [REDACTED] • # [REDACTED] • # [REDACTED] • # [REDACTED] 	<ul style="list-style-type: none"> • # [REDACTED] <p>[REDACTED]</p> <ul style="list-style-type: none"> • # [REDACTED] • # [REDACTED] • # [REDACTED] • # [REDACTED] • # [REDACTED]

	<ul style="list-style-type: none"> • # [REDACTED] • # [REDACTED] • # [REDACTED] • # [REDACTED] <p># [REDACTED]</p>
<p>3 Case meets FRP criteria or there is an open control to a FRP technician's IDRS number.</p> <p>Note: Do not refer to FRP based on Frivolous filer filters present on DDBMF alone. The return must also meet FRP criteria. See IRM 25.25.10-1, Frivolous Arguments.</p>	<ul style="list-style-type: none"> • Input TC 971 AC 713 using DLN of the posted TC 973 selected for posting. This will systemically generate a TC 810 containing RESP-UNIT/JURISDICTION-CD of 4 to post a -Q freeze on the account. Do not input a TC 810 manually. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712, 971 AC 713, or 971 AC 717 for proper input. If there is already a posted TC 150 on the tax module, input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. Use CC TRDBV to confirm the correct TC 973 and DLN of the return when multiple are present on the tax module. <p>Note: If the tax module contains an unreversed TC 570 that posted in a cycle prior to the TC 971 AC 711 posted cycle for the return you deem good is to post as the TC 150, you must input a TC 571 to reverse that TC 570 and monitor the case until the TC 571 posts. Once the TC 571 posts, input TC 971 AC 717 using the DLN of the posted TC 973.</p> <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years</p>

	<p>old, secure the return and send it back through processing. These returns must be sent through special processing to ensure they are “X” coded to hold the refund. Follow IRM 25.25.1.3.3.2, Reprocessing Return.</p> <ul style="list-style-type: none"> • No TC 973 posted but TC 971 AC 711 posted: • If the return is secured (TC 599 posted in same cycle as TC 971 AC 711) or the return is unpostable, monitor account for posting of the TC 973 for 12 weeks. • If 12 weeks have passed and the TC 973 has not posted, input TC 972 AC 711. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. • Route a copy of the correspondence response received to FRP at MS/4500 – OSC using the Form 12634. Specify on the router the reason the return meets FRP criteria. <p>Note: When working no response casework and there is no correspondence received to route to FRP.</p> <ul style="list-style-type: none"> • Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators – TC 972 AC 522, for reversal procedures. • Update and reassign BMF IDT IDRS control with activity “NOTIDT-FRP” and assign to 1486900000 • In BMFIC, update the Closure date, Closing Action to “NOT IDT – FRIV” and include why the return meets FRP criteria in your closing comments.
<p>4 Z freeze is present on the account.</p>	<ul style="list-style-type: none"> • Prior to posting a return or making an adjustment, send an email to your Technical Lead with your research notes, summary and case determination. The Technical Lead will contact Criminal Investigation (CI) and provide you with guidance once it is received from CI. <p>Note: If inputting a TC 971 AC 522, no</p>

	<p>permission is needed.</p> <p>Exception: If determination is IDT confirmed or IDT No Reply, and the case does not require adjustments, CI contact is not required. Input TC 971 AC 522, Update and close IDRS control with activity: "IDTCONFRMD." In BMFIC update the Closure date, Closing Action to "IDT - Confirmed" and add any applicable notes relating to your case determination.</p> <ul style="list-style-type: none"> • If permission is granted: • Proceed with processing and closing your case. Follow existing procedures meeting your case scenario outlined within this table based on the case determination to ensure all necessary actions are taken. • If permission is not granted: • Update and close IDRS control with activity "TO-CI." • In BMFIC, update the Closure date, Closing Action to "CI Controlled" and include in your closing comments no adjustment was input, and document CI's involvement.
<p>5 No response to the Letter 6042C and research indicates IDT or unable to determine return is BMF IDT.</p>	<ul style="list-style-type: none"> • Update and close IDRS control with activity "IDT-DFLT." • Input the TC 971 AC 522. See IRM 25.23.9-4, Business Master File (BMF) ID Theft, for proper input. • In BMFIC, update the Closure date, Closing Action to "IDT-No Reply" and add any required and applicable notes relating to your case determination.
<p>6 Research indicates the return is not BMF IDT and does not meet any of the referral criteria listed in the chart above.</p>	<ul style="list-style-type: none"> • Input TC 971 AC 712 using DLN of the posted TC 973. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712, 971 AC 713, or 971 AC 717 for proper input. If there is already a posted TC 150 on the tax module, input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. Use CC TRDBV to confirm the correct TC 973 and DLN of the return when multiple are present on the tax module. <p>Note: If the return you need to post has a TC</p>

	<p>973 posting cycle greater than three years old, secure the return and send it back through processing. Follow IRM 25.25.1.3.3.2, Reprocessing Return.</p> <ul style="list-style-type: none"> • No TC 973 posted but TC 971 AC 711 posted: • If the return is secured (TC 599 posted in same cycle as TC 971 AC 711) or the return is unpostable, monitor account for posting of the TC 973 for 12 weeks. • If 12 weeks have passed and the TC 973 has not posted, input TC 972 AC 711. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. • Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators – TC 972 AC 522, for reversal procedures. • Update and close IDRS controls with “NOTIDT.” • In BMFIC, update the Closure date, Closing Action to “Not IDT” and add any required and applicable notes relating to your case determination.
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(7) Refer to Exhibit # 25.25.1-4 #BMF IDT BMFIC Closing Action Descriptions, for additional details on closing actions to use in BMFIC.