DATE: 10/03/2017

NUMBER: sbse-04-1017-1370

SUBJECT: IMF Automated Underreporter (AUR) Program

AFFECTED IRM(s)/SUBSECTION(s): 4.19.3

CHANGE(s):

IRM 4.19.3.4.3.2(13) table, 2nd row, Then column - revised instruction to change the TC 290.00 input via the Assessment Window to a manual assessment and input TC 290 .00 with Hold Code 4 on IDRS via IAT

13. **Freeze Code "P-"** indicates the case may be assigned in the FRP or Integrity and Verification Operation (IVO) held the refund. Research IDRS.

If	And	Then
TC 599 AC 17 or 89 is present	FRP has an open control (will show AUDT in control base)	Refer the case to the local FRP coordinator who will provide instructions to either continue processing or to transfer case. If FRP wants the case transferred, use PC 13.
TC 720 and TC 971 with either AC 052, 123, 129, 134, 617 is present		**During screening** close the case no change using PC 28. **If a notice was issued and there is a credit on the account**, take the following actions to close the case: 1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Remove all other transaction/reference codes. 5. Input "N" in the SOURCE DOCUMENT ATTACHED field. 6. Input remarks: No change. 7. Change the AUTO/MANUAL IND field to "M".

		8. Commit the Assessment window. 9. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate. 10. Using the IAT "xClaim" or "REQ54" tool, input a TC 290.00 and include Hold Code 4. **If a notice was issued and there is no credit,** close the case no change using PC 52, 71, or 92 as appropriate.

IRM 4.19.3.4.3.2(15) table, Then column - revised instruction to change the TC 290.00 input via the Assessment Window to a manual assessment and input TC 290 .00 with Hold Code 4 on IDRS via IAT

15. A **Freeze Code "-R"** on Tax Account screen reflects IVO or Taxpayer Protection program (TPP) involvement and is identified with TC 971 AC 052, AC 134, AC 617 or TC 570 with TC 971 AC 199 which indicates a frozen refund. Take the following actions to close the case:

If	Then
During screening	Close the case no change with PC 28.
A notice was issued and there is a credit on the account	1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Remove all other transaction/reference codes. 5. Input "N" in the SOURCE DOCUMENT ATTACHED field. 6. Input remarks: No change. 7. Change the AUTO/MANUAL IND field to "M". 8. Commit the Assessment window. 9. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate. 10. Using the IAT "xClaim" or "REQ54" tool, input a TC 290.00 and include Hold Code 4.
A notice was issued	Close the case no change using PC 52, 71 or

and there is no credit on the account	92, as appropriate.

IRM 4.19.3.8.10.3(6) - added Exception for TY 2016 and subsequent gross only IRs with COD code "G"

6. Do not pursue 1099R IRs with COD codes of:

   NOTE: The system will delete (mark with "X") all elements of the 1099R IR

   - 6
   - G

       EXCEPTION: TY 2016 and subsequent, IRs with a gross amount only will be system deleted (marked with "X").

   - H
   - N
   - P
   - Q
   - R
   - T
   - W

IRM 4.19.3.8.10.3(7) - new instructions for TY 2016 and subsequent 1099R IRs with COD code "G" and a taxable amount

7. For TY 2016 and subsequent, if the COD "G" IR contains a taxable amount, pursue the taxable amount if it is not reported on the taxable line of the return.

IRM 4.19.3.20.1(5) table, 8th row, Then column - revised instruction to change the TC 290.00 input via the Assessment Window to a manual assessment and input TC 290 .00 with Hold Code 4 on IDRS via IAT

5. When there is an indication of identity theft in the message window, take the following actions:

   CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing, DO NOT TRANSFER TO IDTVA.

NOTE: With the exception of AC 501 and AC 506, which do not expire, identity theft documentation must be less than three (3) years old to be considered **current**. The **TRANS-DT** on an existing AC 5XX is used to determine whether the documentation is current or expired.

If TC 971 has an AC of	Then
501	1. Issue a Letter 2626C 2. Include a paragraph to request a statement identifying the issues related to IDT. 3. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request Form 14039 /a police report and identification of the issues related to IDT. 4. Input IPC 3L, 6L or 8L as appropriate.
522 with the literals UNWORK or IRSID **NOTE:** If the IDT claim was made prior to April 3, 2017 also consider INCOME, MULTFL, INCMUL, NODCRQ, NOFR or OTHER	Research IDRS CC ENMOD to determine if the TRANS-DT on an existing AC 522 is current; within the last three (3) years. If **less than 3 years:** 1. Transfer to the designated UID. 2. Place in the designated area for the AUR IDT liaison. If not current; **more than 3 years**, continue normal AUR processing.
522 with the literal PNDCLM	Research IDRS CC ENMOD to determine if the **TRANS-DT** on an existing AC 522 is current; within the last three (3) years. If current; **less than 3 years** take the following actions: 1. Research AMS/CIS to check for Form 14039 or a police report (i.e., law enforcement incident report) and/or a related scanned

	taxpayer response.
	NOTE: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.
	NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documents.
	2. If AMS/CIS includes a copy of a Form 14039 or a police report (i.e., law enforcement incident report), transfer to the designated UID.
	3. Place in the designated area for the AUR IDT liaison.
	If AMS/CIS does not include a copy of a Form 14039 or police report (i.e., law enforcement incident report) or any IDT related TP response, continue normal processing.
	If AMS/CIS does not include a copy of a Form 14039 or police report (i.e., law enforcement incident report), but an IDT related scanned TP response is present, refer to IRM 4.19.3.21.1.26.3, *IDT Claims - Responses*.
	If **TRANS-DT** is not current; **more than 3 years**, continue normal AUR processing.
504 with the literal RPM on the AUR tax year	Close no change PC 52, 71 or 92. **Do not** send a Letter 1802C.
AC 504 with the literal RPM	1. Continue normal AUR

(not on the AUR tax year) or with literals SPCL1, SPCL2 or EAFAIL does not indicate identity theft.	processing. 2. Leave a case note acknowledging the AC 504 - SPCL1, SPCL2 or EAFAIL.
504 with literals ACCT, BOTH, NKI or EMPL	Research IDRS CC ENMOD to determine if the **TRANS-DT** on an existing AC 504 is current; within the last three (3) years. If **less than 3 years:** 1. Transfer to the designated UID. 2. Place in the designated area for the AUR IDT liaison. If not current; **more than 3 years**, continue normal AUR processing.
505	Continue normal AUR processing.
506 on the AUR tax year **CAUTION:** AC 506 with literals WI AMTAP (RFND, OTHER, OMM, OMMGB or DDB) or WI PRP OTHER1 or WI PRP DDB is an indication of IVO involvement. The account may also contain a "P-" or "–R" Freeze Code Do NOT release any credit.	**If there is no credit on the account:** 1. Leave a detailed case note. 2. Close the case using PC 52, 71 or 92, as appropriate. **If there is a credit on the account:** 1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Remove all other transaction/reference codes. 5. Input "N" in the SOURCE DOCUMENT ATTACHED field. 6. Input remarks: No change. 7. Change the AUTO/MANUAL IND field to "M". 8. Commit the Assessment window. 9. Leave a detailed case note. 10. Input PC 52 (CP 2501), PC 71

	(CP 2000) or PC 92 (Stat), as appropriate. 11. Using the IAT "xClaim" or "REQ54" tool, input a TC 290.00 and include Hold Code 4.
506 on other than the AUR tax year **CAUTION:** If the tax return in question meets the criteria outlined in the Refund Scheme Listing, IRP data, IRM 25.23.4-2, *IRTPTR/IDRS Data Decision Tree*, (i.e., the only UR income is social security benefits that do not indicate a filing requirement, etc.), it may be an indication that the return is bad (not filed by the SSN owner) and the address on the module may not be that of the actual TP. It may be necessary to research the TP's address against prior year returns or IDRS CC ENMOD and reissue the notice/letter accordingly. Refer to Exhibit 4.19.3-19, *Filing Requirements For Most People*, for additional information. **NOTE:** Use the address from the SS/RR IR when the only UR income is social security benefits that do not indicate a filing requirement.	1. Issue a Letter 2626C. 2. Include a paragraph to request IDT documentation. 3. Include a paragraph to request a statement identifying the issues related to IDT. 4. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT. 5. Inform the TP they should contact the Federal Trade Commission at (877)438-4338 or http://www.ftc.gov/ and that they should make a report to their local police and the three major credit bureaus. For additional information, visit http://www.irs.gov/ keyword *Identity Theft* or see Pub 5027, *Identity Theft Information for Taxpayers*. 6. Input IPC 3L, 6L, or 8L as appropriate. **NOTE:** The instructions in steps 1 - 6 above apply even if the case is ready to default.
523	Continue normal AUR processing. DO NOT TRANSFER TO IDTVA.
524	Continue AUR processing following IRM 4.19.3.5.5, *Deceased Taxpayers*, and/or IRM 4.19.3.21.1.14, *Decedents*. DO NOT TRANSFER TO IDTVA.
525	Close no change PC 52, 71 or 92. **Do not** send a Letter 1802C.

IRM 4.19.3.21.1.26.2(2) table, 4th row, Then column - revised instruction to change the TC 290.00 input via the Assessment Window to a manual assessment and input TC 290 .00 with Hold Code 4 on IDRS via IAT

2. If the case is NOT already assigned to or referred to the IDTVA, and the **case is controlled at your campus**, and any of the conditions in the table below exist, take the following actions:

   NOTE: On October 1, 2015, IDTVA began scanning all correspondence into AMS/CIS. Scanned documents are associated with the SSN of the TP claiming identity theft. If the return is Married Filing Joint (FS 2) it may be necessary to research both SSNs and/or it may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.

   CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing.

   NOTE: AC listed in the table below do not need to be present on AUR account (year).

If there is an existing current TC 971 (input within the last 3 years) with	And the literal is	Then
AC 501 or 506 **REMINDER:** *TC 971 AC 501 and AC 506 do not expire.*	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR	1. Request the case via UWC. **EXCEPTION:** If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note. 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 504	SPCL1, SPCL2, or EAFAIL	Continue normal AUR processing/call handling. **CAUTION:** If the account is marked with TC 971 AC 504 SPCL1, SPCL2, or EAFAIL there have been unsuccessful attempts to obtain the IP PIN. Use high

		risk disclosure procedures; see IRM 4.19.3.21.2.2, *Disclosure*, for additional information.
AC 504	ACCT, BOTH, NKI or EMP	1. Request the case via UWC. **EXCEPTION:** If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note. 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 506	WI AMTAP (RFND, OTHER, OMM, OMMGB, or DDB) or WI PRP OTHER1 or WI PRP DDB. **NOTE:** The account may also contain a "P-" or "-R" Freeze Code.	**If there is no credit on the account:** 1. Request the case to work. 2. Leave a detailed case note. 3. Close the case using PC 52, 71 or 92, as appropriate. **If there is a credit on the account:** 1. Request the case to work. 2. Access the MFT 30 Assessment window. 3. Input/verify TC 290 .00. 4. Input Hold Code 4. 5. Remove all other transaction/reference codes. 6. Input "N" in the SOURCE DOCUMENT ATTACHED field. 7. Input remarks: No change. 8. Change the AUTO/MANUAL IND field to "M". 9. Commit the Assessment window. 10. Leave a detailed case note. 11. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate.

		12. Using the IAT "xClaim" or "REQ54" tool, input a TC 290.00 and include Hold Code 4. If the case is not available to request, leave a detailed case note and ensure appropriate actions are taken to close the case.
AC 522	UNWORK or IRSID **NOTE:** If the IDT claim was made prior to April 3, 2017 also consider INCOME, MULTFL, INCMUL, NOFR or OTHER.	1. Request the case via UWC. **EXCEPTION:** If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note. 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 522	PNDCLM and the TP states IDT documents were sent	Research AMS/CIS to check for IDT documentation and/or a related scanned TP response. **REMINDER:** It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039. **NOTE:** If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation. If AMS/CIS includes a copy of a Form 14039 or police report (i.e., law enforcement incident report) then:

		1. Request the case via UWC. **EXCEPTION:** If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note. 2. Leave a detailed case note. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison. If AMS/CIS does not include a copy of Form 14039 or a police report (i.e., law enforcement incident report), follow steps 2-6 below.
AC 522	PNDCLM and the TP does not indicate IDT documents were sent	Follow steps 2-6 below.
AC 522	NODCRQ with "OTHER" and "PPDS" as the BOD, "OPIP" as the Program	Consider the account as NOT having a TC 971 AC 522 posted and follow steps 1-6 below.
AC 505 or 525		1. Request the case via UWC. 2. Leave a detailed case note. 3. Close the case no change using normal AUR procedures. **EXCEPTION:** If the case is unavailable through UWC, take the appropriate action to ensure the case is closed following normal AUR procedures, per IRM 4.19.3.21.1.26.3(6) table, *IDT Claims - Responses*.

1. If none of the above is present or if the TRANS-DT is not within the last 3 years (except AC 501 and AC 506, which do not expire), input TC 971 AC 522 PNDCLM using the IAT "REQ77" tool. See IRM 4.19.3.21.1.26.3(11), *IDT Claims - Responses*, for additional information.

   > **EXCEPTION:** If there is an existing TC 971 AC 522 PNDCLM/IRSID/UNWORK for the same tax year, DO NOT apply a second TC 971 with a matching literal.

2. Attempt to secure Form 14039 or a police report via fax. If the TP faxes the document(s) in while on the call, advise them their case is being referred to the Identity Theft Victims Assistance, and if additional information is needed a representative from that area will contact them.
3. If the TP indicates Form 14039 or a police report will be sent later, advise them once their document(s) is received, their case will be referred to the Identity Theft Victims Assistance, and if additional information is needed a representative from that area will contact them.
4. Inform the TP they should contact the Federal Trade Commission at (877) 438-4338 or http://www.ftc.gov/ and that they should make a report to their local police and the three major credit bureaus. For additional information, visit http://www.irs.gov/ key word "Identity Theft" or see Pub 5027, *Identity Theft Information for Taxpayers*.
5. Ask the TP which income issues are a direct result of the identity theft.
6. Leave a detailed case note documenting the call and actions taken.