



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.20.3

JANUARY 9, 2024

EFFECTIVE DATE

(01-09-2024)

PURPOSE

- (1) This transmits revised IRM 25.20.3, Tax Professional Oversight and Support, Return Preparer Suitability.

MATERIAL CHANGES

- (1) IRM 25.20.3.1.5 Editorial changes to adjust the format.
- (2) IRM 25.20.3.1.6 Added Letter 4912, Tax Compliance - Notice of Proposed Escalation.
- (3) IRM 25.20.3.3.5 Revised instructions for updating an address in TPPS.
- (4) IRM 25.20.3.4.1 Editorial changes to adjust the format. Revised instructions for Criminal Background Checks with a subcategory of CBC-Other.
- (5) IRM 25.20.3.4.1.1.3 Added instructions to sign into Accurint.
- (6) IRM 25.20.3.4.1.1.4 Revised instructions for finding an applicant.
- (7) IRM 25.20.3.4.1.3 Revised instructions for requesting additional information.
- (8) IRM 25.20.3.4.1.4 Revised instructions for closing the case.
- (9) IRM 25.20.3.4.1.5 Revised instructions for Appeals.
- (10) IRM 25.20.3.4.2.1 Revised instructions for research.
- (11) IRM 25.20.3.4.2.1.8 Editorial changes to adjust the format.
- (12) IRM 25.20.3.4.2.2.1 Revised the table with Subcategory.
- (13) IRM 25.20.3.4.2.2.2 Revised the table with Subcategory.
- (14) IRM 25.20.3.5.2 Revised instructions for processing the case.
- (15) IRM 25.20.3.5.2.1 Revised instructions for a Response to Letter 5122-A.
- (16) IRM 25.20.3.5.2.3 Revised instructions closing the case for processing the case.
- (17) IRM 25.20.3.5.2.4 Revised instructions for a response received after case closure.
- (18) IRM 25.20.3.6.1.2 Revised instructions for reviewing TPPS for existing cases. Removed paragraph 3.4.
- (19) IRM 25.20.3.6.1.4.1 Revised instructions for Letter 4911-A. Removed the bullet list for paragraph 3.
- (20) IRM 25.20.3.6.1.4.2 Revised instructions for Letter 4912-A.
- (21) IRM 25.20.3.6.1.4.3 Revised instructions for Letter 5284.
- (22) IRM 25.20.3.6.1.6 Revised instructions for referring a case to the Office of Professional Responsibility (OPR). Removed "Failed with no additional action needed. Added "Disallowed".

- (23) IRM 25.20.3.6.1.7 Revised instructions for suspending a case.
- (24) IRM 25.20.3.6.1.8 Revised instructions closing the case for Personal Tax Compliance (PTC) Checks.
- (25) IRM 25.20.3.6.1.9 Revised instructions for response received after case closure. Remove paragraph 6 and the paragraph 6 Note.
- (26) IRM 25.20.3.7 Revised instructions for prisoner checks. Removed bullet d in paragraph 4.
- (27) 25.20.3.7.1.1 Revised instructions for Letter 5130. Removed bullets 2, 3 and 4 in paragraph 2.
- (28) 25.20.3.7.1.2 Revised instructions for Letter 5131. Removed bullet 3 in paragraph 4.
- (29) 25.20.3.7.2 Revised instructions for closing a prisoner case.
- (30) 25.20.3.7.3 Revised the table with “remove based on research results”.

EFFECT ON OTHER DOCUMENTS

This obsoletes IRM 25.20.3 published August 18, 2021.

AUDIENCE

Case processors and suitability analysts in the Return Preparer Suitability department within the Return Preparer Office.

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25.20.3

Return Preparer Suitability

Table of Contents

25.20.3.1 Program Scope and Objectives

25.20.3.1.1 Background

25.20.3.1.2 Authority

25.20.3.1.3 Responsibilities

25.20.3.1.4 Program Controls

25.20.3.1.5 Terms and Acronyms

25.20.3.1.6 Forms and Letters

25.20.3.2 Systems

25.20.3.3 Case Processing Guidelines

25.20.3.3.1 Time Frames

25.20.3.3.2 Correspondence

25.20.3.3.3 Work Notes

25.20.3.3.4 Case Documentation

25.20.3.3.5 Undeliverable Mail

25.20.3.4 Criminal Background Checks (CBCs)

25.20.3.4.1 Criminal Background Check (CBC) - Annual Filing Season Program

25.20.3.4.1.1 Research

25.20.3.4.1.1.1 TPPS

25.20.3.4.1.1.2 Office of Professional Responsibility (OPR)

25.20.3.4.1.1.3 Accurint

25.20.3.4.1.1.4 Public Access to Court Electronic Records (PACER)

25.20.3.4.1.2 Determining Annual Filing Season Program Eligibility

25.20.3.4.1.2.1 Annual Filing Season Program Felony Table

25.20.3.4.1.2.2 The Five-Year Test

25.20.3.4.1.3 Requesting Additional Information

25.20.3.4.1.3.1 Response to Letter 5211-A

25.20.3.4.1.4 Closing the Case

25.20.3.4.1.5 Appeals

25.20.3.4.2 Criminal Background Check - Enrolled Agents (CBC-EA)

25.20.3.4.2.1 Research

25.20.3.4.2.1.1 e-Trak

25.20.3.4.2.1.2 Office of Professional Responsibility (OPR)

25.20.3.4.2.1.3 Accurint

25.20.3.4.2.1.4 Public Access to Court Electronic Records (PACER)

25.20.3.4.2.1.5 Employee User Portal (EUP)

- 25.20.3.4.2.1.6 The Return Preparer Database
- 25.20.3.4.2.1.7 Bureau of Prisons
- 25.20.3.4.2.1.8 State Department of Corrections Websites
- 25.20.3.4.2.1.9 Victim Information and Notification Everyday Link (VINELink)
- 25.20.3.4.2.1.10 State or County Court Records
- 25.20.3.4.2.2 Determining Enrollment Eligibility
 - 25.20.3.4.2.2.1 Felony Seriousness Table
 - 25.20.3.4.2.2.2 Risk Level Determination Table
 - 25.20.3.4.2.2.3 Patterns of Convictions Table
- 25.20.3.4.2.3 Notice of Potential Denial
 - 25.20.3.4.2.3.1 Follow up to Notice of Potential Denial
- 25.20.3.4.2.4 Appeals
 - 25.20.3.4.2.4.1 Appeal Granted
 - 25.20.3.4.2.4.2 Appeal Denied
- 25.20.3.5 Professional Designation Checks (PDCs)
 - 25.20.3.5.1 Research
 - 25.20.3.5.1.1 Attorneys
 - 25.20.3.5.1.2 Certified Public Accountants (CPAs)
 - 25.20.3.5.1.2.1 Other Designations
 - 25.20.3.5.1.3 Enrolled Agents (EAs) and Enrolled Retirement Plan Agents (ERPAs)
 - 25.20.3.5.2 Processing the Case
 - 25.20.3.5.2.1 Response to Letter 5122-A
 - 25.20.3.5.2.2 Response to Letter 5273
 - 25.20.3.5.2.3 Closing the Case
 - 25.20.3.5.2.4 Response Received After Case Closure
 - 25.20.3.5.3 Referring a Case Outside of RPO
 - 25.20.3.5.3.1 Referral to the Office of Professional Responsibility (OPR)
 - 25.20.3.5.3.2 Referral to the Treasury Inspector General for Tax Administration (TIGTA)
- 25.20.3.6 Personal Tax Compliance (PTC) Checks
 - 25.20.3.6.1 PTC Checks - Annual Filing Season Program Participants
 - 25.20.3.6.1.1 Tax Data Security Codes
 - 25.20.3.6.1.2 Reviewing TPPS for Existing Cases
 - 25.20.3.6.1.3 Determining Compliance
 - 25.20.3.6.1.3.1 Unfiled Tax Returns
 - 25.20.3.6.1.3.2 Balance Due
 - 25.20.3.6.1.3.3 Conditions that Resolve an Account
 - 25.20.3.6.1.4 Issuing Letters
 - 25.20.3.6.1.4.1 Letter 4911-A
 - 25.20.3.6.1.4.2 Letter 4912-A

-
- 25.20.3.6.1.4.3 Letter 5284
 - 25.20.3.6.1.4.4 Conditions that Delay Resolution
 - 25.20.3.6.1.5 Responses to Letters
 - 25.20.3.6.1.6 Referring a Case to the Office of Professional Responsibility (OPR)
 - 25.20.3.6.1.7 Suspending a Case
 - 25.20.3.6.1.8 Closing the Case
 - 25.20.3.6.1.9 Response Received After Case Closure
 - 25.20.3.6.2 PTC Checks - Enrolled Agents
 - 25.20.3.6.3 Handling Common Responses
 - 25.20.3.7 Prisoner Checks
 - 25.20.3.7.1 Processing the Case
 - 25.20.3.7.1.1 Letter 5130
 - 25.20.3.7.1.1.1 Determining Current Incarceration
 - 25.20.3.7.1.2 Letter 5131
 - 25.20.3.7.2 Closing the Case
 - 25.20.3.7.3 Response Received after Case Closure

25.20.3.1
(08-18-2021)
Program Scope and Objectives

- (1) **Purpose:** This IRM section describes the procedures of the Return Preparer Office (RPO) for performing suitability checks of certain individuals who apply for a Preparer Tax Identification Number (PTIN), for enrollment to practice before the IRS, or to participate in the Annual Filing Season Program. Specifically, IRM 25.20.3 provides guidance for:
 - Conducting criminal background checks,
 - Validating professional credentials,
 - Conducting personal Federal tax compliance checks, and
 - Identifying prisoners.
- (2) **Audience:** These instructions are intended for case processors and suitability analysts in the RPO Return Preparer Suitability department who are responsible for supporting or performing the suitability checks.
- (3) **Policy Owner:** The Director, Return Preparer Office, is responsible for the policies and administration of the return preparer suitability program and enrolled practitioner program. The Director, Office of Professional Responsibility, is primarily responsible for administering and enforcing Treasury Department Circular No. 230, *Regulations Governing Practice before the Internal Revenue Service* (also referred to simply as “Circular 230”).
- (4) **Program Owner:** The Director, Return Preparer Suitability, is responsible for overseeing the daily operations of the return preparer suitability program and the components of the enrolled practitioner program described in this section.
- (5) **Primary Stakeholders:** As part of performing the suitability checks, the Suitability department interacts with:
 - Office of Professional Responsibility (OPR)
 - Other RPO departments
 - Treasury Inspector General for Tax Administration (TIGTA)
 - Return preparers
- (6) **Program Goal:** To support RPO in promoting a qualified tax professional community that adheres to high ethical standards.

25.20.3.1.1
(03-27-2019)
Background

- (1) In 2010, the IRS published regulations addressing PTIN requirements. In general, anyone who prepares or assists in the preparation of federal tax returns for compensation must have a valid PTIN before preparing returns; a PTIN must be renewed annually. RPO was established to oversee the new PTIN requirements, and specifically, the Return Preparer Suitability department (hereafter “Suitability”) was created to conduct suitability checks on certain individuals who apply for a PTIN.
- (2) RPO also administers the enrolled practitioner program, which includes receiving and approving applications for those seeking to become an enrolled agent (EA) in order to practice before the IRS, as well as processing renewal applications for EAs and enrolled retirement plan agents (ERPAs). Practice before the IRS includes all matters connected with a presentation to the IRS, or any of its officers or employees, relating to a taxpayer’s rights, privileges, or liabilities under laws or regulations administered by the IRS. For more information about practice before the IRS, see IRM 1.25.1, Rules Governing Practice Before the IRS. Suitability is responsible for the criminal background checks of certain individuals who apply to become an enrolled practitioner and certain enrolled practitioners renewing their enrollment.

- (3) In 2014, RPO launched the Annual Filing Season Program (AFSP), a voluntary continuing education program for non-credentialed preparers who aspire to a higher level of professionalism (see *Revenue Procedure (Rev. Proc.) 2014-42*). In general, those who choose to participate can meet the requirements by obtaining 18 hours of continuing education, including a six-hour federal tax law refresher course with a test. They must also renew their PTIN for the upcoming year and consent to adhere to the obligations in Circular 230, Subpart B and section 10.51.
- (4) Annual Filing Season Program participants and enrolled practitioners, along with attorneys and Certified Public Accountants (and their equivalents), are listed in the *IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications* (the Directory). The Directory includes the individual's name, city, state, zip code, and credentials or qualifications. Practitioners and Annual Filing Season Program participants may choose not to be listed in the Directory.

Note: An individual must also have a valid PTIN to be listed.

25.20.3.1.2
(03-27-2019)
Authority

- (1) Treasury Regulation 1.6109-2(d) provides that, after December 31, 2010, all individuals who are compensated for preparing or assisting in the preparation of all or substantially all of a tax return or claim for refund of tax must have a PTIN.
- (2) Circular 230 contains the regulations governing practice before the IRS; it includes a tax professional's duties and obligations while representing taxpayers or otherwise practicing before the IRS.
- (3) *Revenue Procedure (Rev. Proc.) 2014-42* provides guidance for participation in the Annual Filing Season Program, including eligibility requirements.

Note: Refer to the Revenue Procedure for specific requirements.

25.20.3.1.3
(03-27-2019)
Responsibilities

- (1) The Suitability Director is responsible for:
 - Overseeing the Suitability program,
 - Coordinating with managers from other departments on relevant issues,
 - Monitoring and managing progress to ensure department measures and goals are being met, and
 - Ensuring the quality control of processed cases.
- (2) The Suitability group managers are responsible for:
 - Conducting workflow planning and coordinating with the other Suitability teams to direct and review work,
 - Training employees and assisting in employee development,
 - Reporting on team performance, key accomplishments and metrics,
 - Reviewing employee work performance, and
 - Resolving questions regarding criminal history and tax compliance issues.
- (3) All employees must consider Publication 1, *Your Rights as a Taxpayer*, while carrying out duties related to the Return Preparer Suitability program. For additional information, also refer to Policy Statement 1-236, *Fairness and Integrity in Enforcement Selection*.

25.20.3.1.4
(03-27-2019)

Program Controls

- (1) The Suitability group manager (or assigned designee) performs regular case reviews for each Suitability Analyst.
- (2) A quality review of a statistically valid sample of completed Suitability cases is performed on a monthly basis, and a report is generated for managerial review.

25.20.3.1.5
(08-18-2021)

Terms and Acronyms

- (1) The following terms are used throughout this IRM section:

Term	Definition
Annual Filing Season Program (AFSP)	A voluntary continuing education program for non-credentialed PTIN holders who aspire to a higher level of professionalism. For additional information, see IRM 25.20.3.1.1.
Case Processor	Clerical assistant providing administrative support in maintaining and updating a variety of tracking systems and control logs used to process Suitability cases.
Circular 230	31 CFR, Subtitle A, Part 10 (reprinted in Treasury Department Circular 230, <i>Regulations Governing Practice before the Internal Revenue Service</i>)
e-Trak Practitioner (e-Trak)	The database that stores, among other things, information from the enrollment and renewal applications for enrolled agents and enrolled retirement plan agents. The system also contains continuing education data and information about practitioners who are currently suspended or terminated.

Term	Definition
Enrolled Agent (EA)	Enrolled agents are licensed by the IRS. They are subject to a suitability check and must pass a three-part Special Enrollment Examination, which is a comprehensive exam that requires them to demonstrate proficiency in federal tax planning, individual and business tax return preparation, and representation. They must complete 72 hours of continuing education every 3 years. Enrolled agents may generally represent any taxpayer regarding any tax matter before any IRS office, also known as unlimited practice rights.
Enrolled Retirement Plan Agent (ERPA)	Enrolled retirement plan agents (ERPAs) are licensed by the IRS and specifically trained in certain retirement plan matters. ERPAs are subject to a suitability check and must pass a two-part ERPA Special Enrollment Examination. They complete 72 hours of continuing education every 3 years. ERPAs may represent clients before the IRS on certain retirement plan matters.
Lead Analyst (Lead)	Team leader who serves as a manager understudy while coaching subordinate analysts in their job performance and ensuring timely accomplishment of team tasks.
Legal Instrument Examiner (LIE)	An employee of the RPO Enrolled Agent Policy & Management unit who processes enrollment and renewal applications.
Practitioner	For purposes of this IRM section, a practitioner is any individual subject to the suitability checks described herein. The term may refer to a return preparer, enrolled practitioner, attorney, CPA or applicant who has not yet been approved.

Term	Definition
Suitability Analyst	Tax analyst who performs the suitability checks for the RPO Suitability office described in this section.
Tax Professional PTIN System (TPPS)	A web-based system that enables an individual to apply for and receive a PTIN online. The system establishes an account for the applicant, stores the application information and allows updates to the account. It also tracks annual renewals and changes to the status of a PTIN.

(2) The following acronyms are used throughout this IRM section:

Acronym	Definition
CAA	Certifying Acceptance Agent
CBC	Criminal Background Check
CPA	Certified Public Accountant
EA	Enrolled Agent
EFIN	Electronic Filing Identification Number
ERPA	Enrolled Retirement Plan Agent
IDRS	Integrated Data Retrieval System
NOPD	Notice of Proposed Denial
OPR	Office of Professional Responsibility
PDC	Professional Designation Check
PTC	Personal Tax Compliance
PTIN	Preparer Tax Identification Number
SRTP	State Regulated Tax Preparer
SSN	Social Security Number
TCC	Tax Compliance Check
TIN	Taxpayer Identification Number
TPPS	Tax Professional PTIN System

25.20.3.1.6
(01-09-2024)

Forms and Letters

- (1) Below is a list of forms and letters commonly used in Suitability:

Forms

Form 23, *Application for Enrollment to Practice Before the Internal Revenue Service*

Form 8554, *Application for Renewal of Enrollment to Practice Before the Internal Revenue Service*

Initial Contact Letters

Letter 4911, *Tax Non-Compliance Notice of Inquiry*

Letter 4911-A, *You Must Take Steps to Resolve Your Tax Compliance Issues*

Letter 5122-A, *You Must Verify Your Professional Status*

Letter 5130, *Incarceration Inquiry*

Letter 5211, *Criminal Background - Notice of Inquiry*

Letter 5211-A, *Request for Additional Information - Past Due Convictions (Annual Filing Season Participation)*

Interim Letters

Letter 4912, *Tax Compliance - Notice of Proposed Escalation*

Letter 4912-A, *Proposing Denial of Participation into Annual Filing Season Program*

Letter 5273, *Professional Designation Check - Final Request*

Letter 5965, *Notice of Potential Denial*

Final Letters

Letter 5070, *Notice of Resolution*

Letter 5131, *Incarceration - PTIN Revoked*

Letter 5284, *Tax Compliance - Notice of Escalation to OPR*

Letter 5494, *Denial of Request to Participate in the Annual Filing Season Program*

Letter 5966, *Notice of Denial*

25.20.3.2
(03-27-2019)
Systems

- (1) Suitability uses two systems to manage its inventory and process cases: the Tax Professional PTIN System (TPPS) and e-Trak Practitioner (e-Trak).

- TPPS is a web-based system that enables an individual to apply for and receive a PTIN online. The system establishes an account for the applicant, stores the application information and allows updates to the account. It also tracks annual renewals and changes to the status of a PTIN.
- e-Trak is the database that stores, among other things, information from the enrollment and renewal applications for EAs and ERPAs. The system also contains continuing education data and information about EAs and ERPAs who are currently suspended or terminated.

25.20.3.3
(03-27-2019)
**Case Processing
Guidelines**

- (1) This section describes the standards for processing Suitability cases. All instructions are for Suitability analysts unless otherwise noted.
- (2) Research is required prior to taking any actions on a case.

25.20.3.3.1
(03-27-2019)
Time Frames

- (1) References to days are business days unless otherwise stated.
- (2) Complete all EA personal tax compliance checks within three days of assignment.
- (3) Place all Annual Filing Season Program cases into process in TPPS within three days of assignment, unless otherwise instructed by management. "Into process" means performing the research and issuing the initial letter, when applicable.
- (4) Place all other cases into process within ten days of assignment.

Note: Annual Filing Season Program cases should be worked as priority cases.

- (5) Complete all follow-up actions within five days of the scheduled follow-up date.
- (6) Respond to telephone calls from practitioners within two days. If leaving a message, provide a return telephone number.
- (7) After sending a Letter 5070, close the case immediately.
- (8) Document any delay in case actions in TPPS or e-Trak, as applicable.

25.20.3.3.2
(08-18-2021)
Correspondence

- (1) Correspondence comes to Suitability via regular mail and Enterprise Electronic Fax (EE-Fax).
- (2) All correspondence must be date-stamped, scanned and distributed within two days.

25.20.3.3.3
(03-27-2019)
Work Notes

- (1) Document all actions taken on a case and all interactions with the practitioner in the Work Notes section of TPPS or the Activity section of e-Trak, as applicable. Create a new note for each action.

Exception: If it is a professional credential check and initial research shows that the credential is valid, then Work Notes are not required.

- (2) Include the following information in each note, as applicable:
 - a. Date of the action
 - b. Description of the action

- c. Reason for any delay of action

Note: The reason for a delay must be as specific as possible but does not need to disclose an employee's personal information.

- d. Type of letter sent
- e. Reason for the action or letter
- f. Next follow-up date
- g. Reason for closure and the date closed
- h. For cases in which the practitioner is deceased, include the verbiage "Deceased per INOLES MM-DD-YYYY" (where MM-DD-YYYY is the date of death shown on the account).

- (3) If the practitioner calls or sends correspondence, note the following:

- a. Date of the contact (and date retrieved, if applicable)
- b. Summary of the contact
- c. Date you responded or the reason you did not respond
- d. Summary of the response

25.20.3.3.4
(03-27-2019)

Case Documentation

- (1) Attach all case documents, in electronic format, to the TPPS or e-Trak record before closing or transferring the case. Do not store the files anywhere else, such as in email or on a hard drive.

Exception: No tax data should be stored in TPPS. Therefore, do not upload IDRS prints, tax returns, or any other tax records to the system. If tax data is received via EE-Fax or email, print a copy for retention and redact the tax data from the document before attaching it to the case record.

25.20.3.3.5
(01-09-2024)

Undeliverable Mail

- (1) If a letter sent to a practitioner is returned as undeliverable, the analyst assigned to the case must attempt to find an updated address.

Note: Make up to three attempts to contact a practitioner via mail.

- (2) Attempt to find an updated address using any of the following:

- a. TPPS
- b. IDRS command codes INOLES, RPVUE, ENMOD and IRPTR
- c. the Return Preparer Database (see IRM 25.20.3.4.2.1.6 for a description of this database)
- d. Accurint

- (3) If you cannot locate a new address, take the next action as appropriate for the case type.

Reminder: Update Work Notes in TPPS. See IRM 25.20.3.6.9 (6).

- (4) If you locate a new address, take the following steps:

- a. Update the address on the TPPS Resend Address Information tab.

Note: This does not change the TPPS address of record but does change the mailing address for letters mailed through the Resend Address Information tab.

- b. Issue another letter to the updated address using the current date.

- c. Attach a scanned image of the undeliverable envelope to the case record.
- d. Update the received date with the reissue date of the letter.
- e. Set the case state to UND1-Undeliverable, Letter Resent and enter the state date.

- (5) If you have attempted to send correspondence to two updated addresses and both have come back undeliverable, revert to using the original address on file for any subsequent letters.

Note: Update the address in the Resend Address Information tab to reflect the original address on file.

- (6) Update the Work Notes to include:
- a. Letter number that was returned.
 - b. Date the undeliverable letter was received.
 - c. An updated address and where it was found, or if you could not locate an updated address, the research performed in an attempt to locate it.

25.20.3.4
(03-27-2019)
**Criminal Background
Checks (CBCs)**

- (1) Suitability conducts two types of felony criminal background checks: the Annual Filing Season Program check and the Enrolled Agent (EA) check.

25.20.3.4.1
(01-09-2024)
**Criminal Background
Check (CBC) - Annual
Filing Season Program**

- (1) In accordance with *Rev. Proc. 2014-42*, individuals who request to participate in the Annual Filing Season Program undergo a review to identify documented violations of Circular 230, a felony conviction for crimes involving a financial matter, a tax matter, or other violation of the public trust, or an injunction against representation before the IRS or preparing tax returns.
- (2) These cases are stored and worked in TPPS. They are classified as CBC-Annual Filing Season Program and the initial case state is Open.

Note: If a case has a Subcategory of CBC-Other, consult the Lead for specific processing instructions.

25.20.3.4.1.1
(08-18-2021)
Research

- (1) Perform research to identify a criminal history, OPR disciplinary action, or injunction that may make the applicant ineligible for participation in the Annual Filing Season Program. Research the following systems in the order listed:
- a. TPPS
 - b. Office of Professional Responsibility (OPR)
 - c. Accurant
 - d. Public Access to Court Electronic Records (PACER)

Note: If you find evidence of a felony conviction that makes the applicant ineligible for participation in the Annual Filing Season Program at any step in the research, do not conduct any further research. See IRM 25.20.3.8.2.3 for details about Annual Filing Season Program eligibility.

- (2) Print all research and provide to the clerk.

25.20 Preparer Enrollment, Education and Oversight

25.20.3.4.1.1.1
(08-18-2021)

TPPS

- (1) Search TPPS for any duplicate cases. A case is considered a duplicate if:

- two or more open CBC cases exist for the same person in TPPS,
- they are of the same CBC case type (i.e. Annual Filing Season Program), and
- they are for the same filing year.

Note: Only CBC-Annual Filing Season Program cases are stored in TPPS; CBC-EA cases are stored in e-Trak.

- (2) If the assigned case is a duplicate, follow the steps in IRM 25.20.3.4.1.4 to close it with no action.
- (3) If the assigned case is not a duplicate, review the applicant's response to the felony question in the Application tab for the most recent application, and note any self-reported felony convictions.

25.20.3.4.1.1.2
(08-18-2021)

Office of Professional Responsibility (OPR)

- (1) Search for Disciplined Tax Professionals on the *IRS.gov website* using the applicant's name to determine if the applicant has been subject to OPR disciplinary action. Specifically, determine if the applicant has been censured, suspended, or disbarred. The website will also show if the applicant has been enjoined by a U.S. court.
- (2) If the applicant appears on the website, use this chart to determine the next step:

If the applicant is currently...	then ...
Suspended, Enjoined or Disbarred	return the case to the Lead to be forwarded to OPR.
Censured	continue processing the case.

25.20.3.4.1.1.3
(08-18-2021)

Accurint

- (1) Accurint is a web-based research tool compiled from public records. It can be used to locate people and assets.
- (2) To perform CBC research in Accurint, take the following steps:
1. Sign into Accurint for "Court, Law Enforcement, or Government Agencies" purposes. Follow internal procedures for signing into Accurint.
 2. On the People tab, search by the applicant's name and/or Social Security Number (SSN).
 3. Any matches will appear under the Advanced People search results. Run a Comprehensive Report on the strongest match for the Address Summary, Possible Criminal Records, Sexual Offenses and Professional Licenses options.
- (3) Document up to five different counties and states of residence associated with the applicant from the last five years, listing the most recent address first.

Note: This information will be used when researching PACER.

- (4) Research any felony conviction details from the last five years. Accurint normally lists the type of crime, seriousness of the crime (infraction, misde-

meanor, felony, etc.), the disposition, and the conviction and release date if convicted. If Accurint does not list these details, request a copy of the certified record of proceedings or official disposition from the court or the applicant. Follow guidance in IRM 25.20.3.4.1.3 if requesting additional information from the applicant.

25.20.3.4.1.1.4
(01-09-2024)

**Public Access to Court
Electronic Records
(PACER)**

- (1) PACER is a web-based system for public access to U.S. district, appellate, and bankruptcy court case information. Only Federal Court cases can be found on the system.
- (2) When searching PACER, select "Party Search", enter the applicant's first and last name, and then select "Criminal" for court type.

Note: This system does not give the option of using any other search criteria, such as Social Security Number or date of birth.

- (3) If a record is found for the applicant:
 - a. Review the Court Docket to determine if the charge is a felony, and document whether it is a felony.
 - b. If the felony charge occurred within the past five years, print a copy of the Docket Report and provide it to the clerk.

25.20.3.4.1.2
(03-27-2019)

**Determining Annual
Filing Season Program
Eligibility**

- (1) To be eligible to participate in the Annual Filing Season Program, an applicant must not have been convicted of a felony resulting from a financial crime, a tax crime, or other violation of public trust within five years of the Annual Filing Season Program application date.
- (2) Use the following table to determine Annual Filing Season Program eligibility:

If research finds...	and...	and...	then ...
a conviction,	the crime is in the Annual Filing Season Program Felony Table in IRM 25.20.3.4.1.2.1,	it meets the Five-Year Test in IRM 25.20.3.4.1.2.2,	the applicant is not eligible for the Annual Filing Season Program.
a conviction,	the crime is in the Annual Filing Season Program Felony Table in IRM 25.20.3.4.1.2.1,	it does not meet the Five-Year Test in IRM 25.20.3.4.1.2.2,	the applicant is eligible for the Annual Filing Season Program.
a conviction,	the crime is not in the Annual Filing Season Program Felony Table,	n/a	The applicant is eligible for the Annual Filing Season Program.

If research finds...	and...	and...	then ...
a conviction,	research findings are not adequate to make a determination,	n/a	Follow guidance in IRM 25.20.3.4.1.3 for requesting additional information.
no conviction (but the applicant has reported a conviction),	further information is needed to make a determination,	n/a	Follow guidance in IRM 25.20.3.4.1.3 for requesting additional information.
no conviction,	no further information is needed to make a determination,	n/a	The applicant is eligible for the Annual Filing Season Program.

- (3) After determining Annual Filing Season Program eligibility, take the following action:

Determination	Action
The applicant is eligible,	Close the case. See IRM 25.20.3.4.1.4. TPPS will automatically generate an Annual Filing Season Program Record of Completion.
The applicant is ineligible,	Send Letter 5494, <i>Denial of Request to Participate in the Annual Filing Season Program</i> , and follow the steps in IRM 25.20.3.4.1.4 to close the case.

25.20.3.4.1.2.1
(03-27-2019)

Annual Filing Season Program Felony Table

- (1) Felony convictions listed in the table below may disqualify applicants from participating in the Annual Filing Season Program.

Financial Crime	Dishonesty	Breach of Trust
Tax Crimes	Bribery	Embezzlement
Money Laundering	Counterfeiting	Misapplication or Misappropriation of Funds
Structuring	Forgery	Insider Trading

Financial Crime	Dishonesty	Breach of Trust
Black Market (for Profit)	Fraud	Blackmail
Check Kiting	Falsifying a Crime Report and/or Giving False Information	Extortion
Worthless Checks	Larceny	Terroristic Threats
Identity Theft	Theft	-----
-----	Computer Violation - Illegal Access	-----
-----	Credit Card Abuse	-----

25.20.3.4.1.2.2
(03-27-2019)

The Five-Year Test

- (1) A felony conviction meets the Five-Year Test if it occurred within five years of the date of the Annual Filing Season Program application.
- (2) The dates associated with a court case can be found on the court documents or by online research. The dates typically associated with a court case are:
 - Conviction Date - the date someone is found guilty of a crime in a judicial proceeding.
 - Judgment Date - generally the date the court enters the written record of conviction in a criminal case.
 - Sentencing Date - the date a court imposes punishment on a criminal wrongdoer.
 - Disposition Date - the date of the court's final determination of a case.
 - Indictment Date - the date of a formal, written accusation of a crime.
- (3) Use the conviction date to compute whether the conviction occurred within five years of the Annual Filing Season Program application date. If a conviction date is not available, use the judgment, sentencing, or disposition date, in that order.

Note: If an indictment date is the only date available, request additional information about the conviction from the applicant. See IRM 25.20.3.4.1.3 for guidance on requesting additional information.

25.20.3.4.1.3
(01-09-2024)

Requesting Additional Information

- (1) If you need more information from the applicant to determine Annual Filing Season Program eligibility:
 - a. Send Letter 5211-A.
 - b. Print all research documents and provide to the clerk.
 - c. Update the Work Notes.
 - d. The case state will automatically update.

25.20.3.4.1.3.1

(03-27-2019)

**Response to Letter
5211-A**

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- (2) Use this table to determine the next steps:

If the applicant...	then ...
does not respond by the due date,	deny participation in the Annual Filing Season Program following the guidance in IRM 25.20.3.4.1.2.
requests additional time to respond,	probe to understand the applicant's needs and inform the applicant of the Annual Filing Season Program enrollment deadline, then consult your manager for guidance. Additional time is granted on a case-by-case basis.
confirms the felony conviction,	follow the guidance in IRM 25.20.3.4.1.2 to determine if the conviction makes the applicant ineligible for the Annual Filing Season Program.
denies the felony conviction,	request a copy of the court disposition or certified record of proceedings via mail or fax. If adequate proof is received, issue Letter 5070 and follow IRM 25.20.3.4.1.4 to close the case.
does not provide adequate documentation to make a determination or to refute the conviction,	deny participation in the Annual Filing Season Program by following the guidance in IRM 25.20.3.4.1.2.

25.20.3.4.1.4

(01-09-2024)

Closing the Case

- (1) Print all research and any correspondence from the applicant and provide it to the clerk.
- (2) Update the Work Notes.
- (3) Change the case state to Closed and select a case outcome.
- (4)

If the determination is to...	and...	then change Outcome to...
Allow participation in the Annual Filing Season Program	a Letter 5211-A was not sent,	-Allow/No Additional Action Needed
Allow participation in the Annual Filing Season Program	a Letter 5211-A was sent,	-Allow/5070 Letter Sent (after 5211A)
Deny participation in the Annual Filing Season Program	a Letter 5211-A was not sent,	-Disallow/5494 Letter Sent
Deny participation in the Annual Filing Season Program	a Letter 5211-A was sent,	-Disallow/5494 Letter Sent (after 5211A)
Close the case with no action	n/a	No Action

25.20.3.4.1.5
(01-09-2024)

Appeals

- (1) An applicant has the right to appeal denial of Annual Filing Season Program participation.
 - a. The applicant must file an appeal within 30 calendar days of the date on Letter 5494. A date stamp is required to show the appeal was received within the 30-day time frame.
 - b. The appeal must include the reason for and documentation to support the applicant's claim that the denial should be reversed.
- (2) When an appeal is received, create a new case in TPPS as CBC - Annual Filing Season Program and associate the originally disallowed case .
- (3) Determine if the information in the appeal changes the original decision, then take the following actions:

If...	then ...
the applicant is now eligible for Annual Filing Season Program participation,	<ol style="list-style-type: none"> 1. Send Letter 5070, 2. Print all new research and correspondence and provide it to the clerk. 3. Update the Work Notes, 4. Change the case state to Closed and select a case Outcome.

If...	then ...
the applicant is still not eligible for Annual Filing Season Program participation, or the information in the appeal is not sufficient to make a determination,	<ol style="list-style-type: none"> 1. Print all new research and correspondence and provide it to the clerk, 2. Complete Appeal Acknowledgement Letter and attach to TPPS, 3. Update the Work Notes, 4. Change the case state to Closed , 5. Transfer the case to Joint Board, 6. Change the responsible party on the new case to the Joint Board of Enrolled Actuaries senior advisor. 7. Email a completed appeal package to the Lead/Manager.

25.20.3.4.2
(08-18-2021)

**Criminal Background
Check - Enrolled Agents
(CBC-EA)**

- (1) Circular 230 provides the IRS with authority to perform criminal background checks on individuals who apply to become an EA, as well as EAs and ERPAs who apply to renew their enrollment.
- (2) The starting point of a CBC-EA is the enrollment application Form 23, *Application for Enrollment to Practice Before the Internal Revenue Service*, or renewal application Form 8554, *Application for Renewal of Enrollment to Practice Before the Internal Revenue Service*. These applications are stored in e-Trak.

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- (3) CBC-EA cases are assigned and documented in e-Trak.

25.20.3.4.2.1
(08-18-2021)

Research

- (1) If the application does not contain both a SSN and domestic address, search for the missing item(s) using the Integrated Data Retrieval System (IDRS), Employee User Portal (EUP), Public Access to Court Electronic Records (PACER), the Return Preparer Database, Accurint, e-Trak, and the Tax Professional PTIN System (TPPS). Document all steps taken.
 - a. If you now have a SSN and domestic address, continue to paragraph (2) to perform additional research.
 - b. If you now have a domestic address but no SSN, continue to paragraph (2) to perform additional research.
 - c. If you now have a SSN but no domestic address, do not take any further actions.
 - d. If you have no SSN and no domestic address, do not take any further actions - reject the case.
- (2) Perform the following online research to identify a felony conviction, OPR disciplinary action, or injunction that may make the applicant ineligible for enrollment or renewal. Include a narrative to indicate results for each site researched.
 - a. e-Trak

- b. OPR website
- c. Accurint
- d. Public Access to Court Electronic Records (PACER)
- e. Employee User Portal (EUP) Personal Suitability
- f. Return Preparer Database
- g. Federal Bureau of Prisons
- h. State Department of Corrections
- i. Victim Information and Notification Everyday Link (VINELink)
- j. State or County court records (as available)

- (3) Capture research results as a screenshot or printed as a PDF and combine into one document. Attach to your case in e-Trak.
- (4) If working an initial enrollment case, add research and notes to the Case Processing Activity tab in e-Trak. If working an enrollment renewal case, add research and notes to the Renewal Documents tab in e-Trak.

25.20.3.4.2.1.1
(08-18-2021)
e-Trak

- (1) Search e-Trak for duplicate case(s) and any criminal convictions or other violations occurring in the past 10 years. Also, verify that the applicant is not in inactive or terminated enrollment status.

25.20.3.4.2.1.2
(03-27-2019)
**Office of Professional
Responsibility (OPR)**

- (1) See IRM 25.20.3.4.1.1.2 for guidance on OPR research.

25.20.3.4.2.1.3
(08-18-2021)
Accurint

- (1) See IRM 25.20.3.4.1.1.3 for guidance on Accurint research.
Exception: For a CBC-EA, note pertinent activity for the past ten years instead of five years.
- (2) Accurint should not be the only source to identify a felony conviction. Confirm any conviction found on Accurint at the county or state level. See IRM 25.20.3.4.2.1.10 .

25.20.3.4.2.1.4
(03-27-2019)
**Public Access to Court
Electronic Records
(PACER)**

- (1) See IRM 25.20.3.4.1.1.4 for guidance on PACER research.
Exception: Look for cases occurring within the past ten years instead of five years.

25.20.3.4.2.1.5
(08-18-2021)
**Employee User Portal
(EUP)**

- (1) The Employee User Portal (EUP) is an IRS system used by the IRS e-File program. Specifically, the Personal Suitability section of the EUP identifies whether the applicant has applied for an Electronic Filing Identification Number (EFIN), and if the application was accepted.

Note: Failure to be accepted into the IRS e-File program can result in a denial of enrollment.

- (2) Access the EUP at https://eup.eps.irs.gov/eup_login/0,1003,,00.html. Once logged into the EUP, perform research as follows:

- a. Click on the “esrv-ESAM-Applications” link under the heading Applications.
- b. Select Search and then “Person”.
- c. Search by SSN in the TIN field.
- d. Capture an electronic image of the page and add a narrative explaining the findings.

Note: The last step should be performed regardless of whether or not the search returned a result.

- (3) Document the EUP Suitability Status shown in the Comments field in EUP and the reason for rejection/failure (if applicable).

25.20.3.4.2.1.6
(03-27-2019)

The Return Preparer Database

- (1) The Return Preparer Database aggregates information about return preparers, with a separate module that stores PTIN registration data from TPPS.
- (2) Search the Return Preparer Database for a felony indicator in the TPPS-PTIN module.

25.20.3.4.2.1.7
(08-18-2021)

Bureau of Prisons

- (1) Search the Bureau of Prisons Inmate Locator website at <https://www.bop.gov/inmateloc/> using the applicant’s name.
 - a. If there are any results, check the inmate’s age to ensure it matches the applicant’s age.
 - b. Results will also show if the inmate is still incarcerated and the release date, if applicable.

25.20.3.4.2.1.8
(03-27-2019)

State Department of Corrections Websites

- (1) Various state Department of Corrections websites can be accessed via the Inmate Locator at: <http://www.theinmatelocator.com>. Use a state website to determine if the applicant is currently incarcerated in that state.
- (2) When searching the Inmate Locator website, use only the first link on the top right-hand side of the site to ensure that the target website is the official Department of Corrections (or equivalent) website for the state in question. **Do not** use a third-party website to search state corrections records.

Exception: Some states have no website, but the first entry in Inmate Locator will contain a phone number and the information needed when you call.

25.20.3.4.2.1.9
(03-27-2019)

Victim Information and Notification Everyday Link (VINELink)

- (1) VINELink is an online portal to VINE, a victim notification network, and can provide reliable information for custody status changes and criminal case information. Access VINELink at: <https://vinelink.com/#/home>.
- (2) From the home page, find the applicable state and select the Find the Offender icon. Search by the applicant’s name.

25.20.3.4.2.1.10
(03-27-2019)

State or County Court Records

- (1) To find state or county court records, access the Local Court Records website at <http://localcourtrecords.com>, or search for the County Clerk of Court for the applicable county and state. Search the states/counties found when researching Accurint.

Note: Limit research to the most recent five states and/or counties where the individual has lived in the last ten years.

25.20.3.4.2.2
(08-18-2021)

Determining Enrollment Eligibility

- (1) To be eligible for enrollment (including renewal), an applicant must not have been convicted of a felony for a crime listed in the *Felony Seriousness Table* (see IRM 25.20.3.4.2.2.1) within ten years of the application or renewal date.
- (2) If the applicant was convicted of a felony, apply the criteria below before making a final determination of eligibility:
 - a. Seriousness of the felony - See the *Felony Seriousness Table* in IRM 25.20.3.4.2.2.1.
 - b. Time frame in which the felony occurred - See guidance in IRM 25.20.3.4.1.2.2 for the dates to use in computing the time frame.

Note: Refer to the guidance only for a description of the dates associated with a court case. The reference to a five-year period is irrelevant for the CBC-EA.
 - c. Risk Level of the felony - See the *Risk Level Determination Table* in IRM 25.20.3.4.2.2.2 to determine the risk level of the crime.
 - d. Number (and type) of felonies - If the applicant has multiple felonies and they are all at risk level A or B, then use the *Patterns of Convictions Table* in IRM 25.20.3.4.2.2.3 to determine the overall risk level to assign to the case.
- (3) Use this chart to make the final eligibility determination:

If ...	and ...	then ...
the risk level or case level is A or B,	n/a	the applicant is eligible. Take the following actions in e-Trak: <ol style="list-style-type: none"> a. Approve the enrollment or renewal, b. Add a brief summary of all research, c. Attach any applicable documentation, and d. Reassign the case to the Lead.
the risk level or case level is C,	this is a new application,	the applicant is not eligible. Send a Notice of Proposed Denial (NOPD). See IRM 25.20.3.4.2.3.
the risk level or case level is C,	this is a renewal,	refer the application to OPR.

If ...	and ...	then ...
research does not lead to a determination, Example: The applicant reported a felony you are unable to locate through research.	this is a new application,	the applicant is not eligible. Send a Notice of Proposed Denial (NOPD). See IRM 25.20.3.4.2.3.
research does not lead to a determination, Example: The applicant reported a felony you are unable to locate through research.	this is a renewal,	refer the application to OPR.

25.20.3.4.2.2.1
(03-27-2019)

**Felony Seriousness
Table**

- (1) If the court disposition and/or certified record of proceedings identifies the conviction as a felony, use the table below to determine the seriousness of the felony:

MAJOR				MODERATE		MINOR
<i>Financial Crimes</i>	<i>Dishonesty</i>	<i>Breach of Trust</i>	<i>Other Federal/ State Laws</i>	<i>Dishonesty</i>	<i>Other Federal/ State Laws</i>	<i>Other Federal/ State Laws</i>
Tax Crimes	Bribery	Embezzlement	Assault	Worthless Checks	Other Drug-Related	Alcohol/ DUI
Money Laundering	Burglary	Misapplication/ Misappropriation of Funds	Manslaughter	Larceny	Weapons Charges	Traffic Violation
Structuring	Counterfeiting	Insider Trading	Murder	Other Homicide	Illegal Gambling	Prostitution

MAJOR				MODERATE		MINOR
Check Kiting	Forgery	Blackmail	Sexual Misconduct (Rape, Sexual Battery, etc.)	Theft	Harassment	Pornography
Identity Theft	Fraud	Extortion	Arson	Computer Violation - Illegal Access	Copyright Violations	Stolen Property
	Robbery	Terroristic Threats	Child Pornography	Credit Card Abuse	Drug Manufacturing/ Trafficking/ Sale	Vandalism
	Child Molestation		Threatening a Government Official		Obstruction	NBAS Grade B Crimes
	Perjury (Willfully telling an untruth in a court after having taken an oath or affirmation. This includes lying under oath, violating an oath, giving false evidence/ testimony, and/or making false statements.)		Conspiracy		Felony Drug Possession (Other than Marijuana)	Indecent Exposure
	Falsifying a Crime/ Report/ and/or Giving False Information					Hit and Run

25.20.3.4.2.2.2
(01-09-2024)
**Risk Level
Determination Table**

(1) This table shows the risk level of the felony Subcategories:

Felony Seriousness	Recency of Conviction	Risk Level
Major	0 - 72 Months (\leq 6 years)	C
	73 - 120 Months ($>$ 6 years \leq 10 years)	B
	121 Months ($>$ 10 years)	A
Moderate	0 - 36 Months (\leq 3 years)	B
	37+ Months ($>$ 3 years)	A
Minor	n/a	A

Reminder: If the applicant has multiple felonies and they are all at risk level A or B, use the Patterns of Convictions Table in IRM 25.20.3.4.2.2.3 to determine the overall risk level.

25.20.3.4.2.2.3
(03-27-2019)
**Patterns of Convictions
Table**

(1) If the applicant has more than one Risk Level A or B felony, use this table to determine the overall risk level:

Patterns of Conviction	Recency Time Frame	Overall Risk Level
2 or More B Risk Levels	n/a	C
3 or More A Risk Levels	0 - 48 Months (\leq 4 years)	Refer to the Lead to make a determination of risk level

25.20.3.4.2.3
(08-18-2021)
**Notice of Potential
Denial**

- (1) Letter 5965, Notice of Potential Denial (NOPD), notifies the applicant of the potential denial of enrollment.
- (2) Manually generate the letter and attach it to the case in e-Trak.

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25.20.3.4.2.3.1
(08-18-2021)

(1) After sending the NOPD:

**Follow up to Notice of
Potential Denial**

If...	and...	then...
the applicant responds timely,	provides information sufficient to allow enrollment,	<ul style="list-style-type: none"> a. approve the application in e-Trak, b. send Letter 5070, and attach a copy to e-Trak, c. Add a brief summary of all research, d. Attach research document, if applicable e. Reassign the case to the Legal Instrument Examiner (LIE).
the applicant responds timely,	does not provide sufficient information to allow enrollment,	<ul style="list-style-type: none"> a. Send Letter 5966, Notice of Denial, to the applicant and attach a copy to the e-Trak record, b. Deny the enrollment or renewal in e-Trak, c. Attach all correspondence from the applicant to e-Trak, d. Attach research document, if applicable, e. Reassign the case to the LIE.

If...	and...	then...
the applicant does not respond timely,	n/a	a. Send Letter 5966, Notice of Denial, to the applicant and attach a copy to the e-Trak record, b. Deny the enrollment or renewal in e-Trak, c. Attach all correspondence from the applicant to e-Trak, d. Attach research document, if applicable, e. Reassign the case to the LIE.

25.20.3.4.2.4
(08-18-2021)
Appeals

- (1) An applicant has the right to appeal denial of enrollment or renewal. Appeals are decided by OPR.

- a. The applicant must file an appeal within 30 calendar days of the date of the Notice of Denial. A date stamp is required to show when the appeal was received.
- b. The appeal must include the reason and documentation to support the applicant's claim that the denial should be reversed.

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- (2) When an appeal is received, review the appeal letter and documentation, and prepare the Enrollment Determination Memorandum (EDM). The EDM includes the following sections:

- Summary
- Facts and Circumstances considered in RPO's determination
- Conclusion

- (3) Prepare an appeal package in PDF format and include the following:

- Table of Contents
- Enrollment Determination Memorandum (EDM)
- Applicant's appeal letter
- Notice of Denial
- Response to NOPD (if any)
- NOPD
- The Form 23
- The originally compiled research file
- A copy of the Enrollment or Renewal Process Activity Listing from e-Trak

- (4) Send the completed appeal package to the Lead via email.
- (5) Take the following actions in e-Trak:

- Change the case activity to Appeal Period (30 Days).
- Attach appeal package to the case.
- Assign the case to the Lead.

25.20.3.4.2.4.1
(08-18-2021)
Appeal Granted

- (1) If OPR overturns RPO's decision to deny enrollment, take the following actions to grant enrollment:
 1. Change the case activity in e-Trak to Miscellaneous under Enrollment Process Activity.
 2. In the Comments section, indicate that this is the Final Agency Decision given by the Director of OPR.
 3. Attach a copy of OPR's opinion to the case.
 4. Email a copy of OPR's opinion letter to the LIE.

25.20.3.4.2.4.2
(08-18-2021)
Appeal Denied

- (1) If OPR agrees with RPO's decision to deny enrollment, take the following actions to deny enrollment:
 - a. Change the case activity to Enrollment Denied in e-Trak.
Note: The effective date should match the date on the decision letter.
 - b. In the Comments section, indicate that this is the Final Agency Decision by the Director of OPR.
 - c. Attach a copy of OPR's opinion to the case.
 - d. Email a copy of OPR's opinion letter to the LIE.

25.20.3.5
(08-18-2021)
**Professional
Designation Checks
(PDCs)**

- (1) The Directory of Federal Tax Return Preparers with Credentials and Select Qualifications (the Directory) is a searchable, sortable database intended to help taxpayers identify tax professionals who have some amount of professional training. The Directory lists preparers with a valid PTIN who currently hold professional credentials such as an attorney, Certified Public Accountant, Enrolled Agent, Enrolled Retirement Plan Agent (ERPA), or Enrolled Actuary, or who hold an Annual Filing Season Program Record of Completion.
- (2) The purpose of a Professional Designation Check (PDC) is to ensure that a credential, as shown in TPPS, is valid and active. A valid and active credential ensures that the information provided in the Directory is also accurate.
- (3) A preparer or practitioner may have multiple credentials. Suitability only performs PDCs on the following credentials:
 - Attorney
 - Certified Public Accountant (CPA)
 - Enrolled Agent (EA)
 - Enrolled Retirement Plan Agent (ERPA)
 - Enrolled Actuary (EAc)
- (4) If the preparer or practitioner does not have one of the credentials listed in IRM 25.20.3.5 (3), close the case No Action as described in IRM 25.20.3.5.2.3,

25.20 Preparer Enrollment, Education and Oversight

- (5) If the preparer or practitioner provides information about a credential that is not recorded in TPPS, send an ad hoc letter advising them to input the credential to their TPPS account.
- (6) PDC cases are worked in TPPS. There are two types of PDC cases: PDC-Annual Filing Season Program (PDC-AFSP) and PDC-Revalidation.
 - a. PDC-AFSP is a check conducted on PTIN holders who request participation in the Annual Filing Season Program.
 - b. PDC-Revalidation is a check conducted on previously verified credentials for PTIN holders who still have an active PTIN.

25.20.3.5.1 (03-27-2019) Research

- (1) This section describes the types of research performed for PDC cases.
- (2) Perform the necessary research based on credential type, then mark the credential valid or invalid, as appropriate.

Exception: It is not necessary to perform research if a credential has been marked valid in TPPS within the past two years. Close the case "NACT - No Action" without selecting a validity state in TPPS.

25.20.3.5.1.1 (08-18-2021) Attorneys

- (1) Attorneys are licensed by state courts, the District of Columbia or their designees, such as the state bar. Generally, they have earned a degree in law and passed a bar exam. Attorneys generally have on-going continuing education requirements and professional character standards. Attorneys may offer a range of services; some attorneys specialize in tax planning and return preparation. Attorneys may represent any taxpayer regarding any tax matter before any IRS office, also known as unlimited practice rights.
- (2) Verify that an attorney's license is valid and current by searching the state-specific Bar Association website, if a website is available.
- (3) The following states provide limited or no public information; you must contact the Bar Association to complete the PDC check.

State	Phone Number
Arkansas	(501) 682-6849
Delaware	(302) 739-4155
Montana	(406) 442-7660
New Hampshire	(603) 224-6942 ext. 3208
Oklahoma	(405) 416-7000
Oregon	(800) 452-8260 ext. 0
South Dakota	(605) 224-7554
Vermont	(802) 859-3000
Virginia	(804) 775-0530

25.20.3.5.1.2
(08-18-2021)
**Certified Public
Accountants (CPAs)**

- (1) Certified Public Accountants (CPAs) are licensed by state boards of accountancy, the District of Columbia, and U.S. territories, and have passed the Uniform CPA Examination. They have completed a study in accounting at a college or university and also met experience and good character requirements established by their respective boards of accountancy. In addition, CPAs must comply with ethical requirements and complete specified levels of continuing education to maintain an active CPA license. CPAs may offer a range of services; some CPAs specialize in tax planning and return preparation. CPAs may represent any taxpayer regarding any tax matter before any IRS office, also known as unlimited practice rights.
- (2) Confirm that a CPA license is valid and active by researching CPA Verify (<https://cpaverify.org>) or the state board of accountancy website.

Note: It is not necessary to search both sites. However, the state website may contain more recent information than CPA Verify and contain information for states not available on CPA Verify.

- (3) CPAs considered Active will contain one of the following statuses (this list is not all-inclusive; further research or contact with the board may be necessary):
 - Issued
 - Active
 - Registered
 - Clear
 - License
 - Permit
 - CPA License
- (4) CPAs considered Inactive will contain one of the following statuses (this list is not all-inclusive; further research or contact with the board may be necessary):
 - Inactive
 - Deceased
 - Retired
 - Expired
 - Expired Late Renewal
 - Voluntarily Surrendered
 - Voluntary Resignation
 - Not Registered
 - Revoked
 - Delinquent
 - Lapsed
 - Cancelled
 - Suspended
 - Probation
 - Forfeited
- (5) Search the National Association of the State Boards of Accountancy website (<https://nasba.org/licensure/substantialequivalency/>) to determine if the licensing jurisdiction has special circumstances, which are indicated by one or more asterisks next to the jurisdiction. Specifically, the jurisdiction may:
 - be a two-tiered state.
 - have more than one path to licensure.
 - have both a current and historical path to licensure.

If any of these special circumstances apply, consult the Lead for guidance to complete the PDC.

- (6) If the accounting license is known by another designation (such as Public Accountant or Licensed Public Accountant), refer to IRM 25.20.3.5.1.2.1, Other Designations.

25.20.3.5.1.2.1
(08-18-2021)

Other Designations

- (1) Although uncommon, some states issue or renew a public accounting credential other than that of CPA, such as Public Accountant or Licensed Public Accountant. When performing a PDC on a Public Accountant or Licensed Public Accountant, consider the credential to be constructively the same as a CPA license for all states but the following:

- Delaware
- Illinois
- Iowa
- Kansas
- Michigan
- Oregon
- South Carolina

- (2) For any of the states listed above, consult the Lead for guidance.

25.20.3.5.1.3
(03-27-2019)

Enrolled Agents (EAs) and Enrolled Retirement Plan Agents (ERPAs)

- (1) Verify the current enrollment status of an EA or ERPA on e-Trak by searching for the person's PTIN or SSN. If unable to locate a match by PTIN or SSN, search by the name, as not all records contain a PTIN or SSN. Verify any match with other data such as a middle initial or address.

25.20.3.5.2
(01-09-2024)

Processing the Case

- (1) After completing the research, use this table to determine the next steps:

If ...	then ...
the credential is found to be active and valid,	close the case as valid, following guidance in IRM 25.20.3.5.2.3. No contact with the preparer or practitioner is needed.

If ...	then ...
initial research determines any credential is invalid,	<ol style="list-style-type: none"> 1. Send Letter 5122-A, do not send any letters to an EA, ERPA or EAC. 2. Create a new Work Note with the date of action, method of research , status of the credential(s) when researched, and the follow-up date, 3. Click start working, go to Outcome, select requires preparer input, then click pending 4. The case state will automatically go to awaiting info. The follow-up date will auto-populate. 5. See IRM 25.20.3.5.2.1.

25.20.3.5.2.1

(01-09-2024)

Response to Letter 5122-A

(2) After issuing Letter 5122-A, use this table to determine the next steps:

If ...	and ...	then ...
A response is	the credential can be validated,	issue Letter 5070 and close the case following guidance in IRM 25.20.3.5.2.3.
A response is	the practitioner is no longer practicing,	consider the credential to be invalid. Issue Letter 5070 and close the case following guidance in IRM 25.20.3.5.2.3.
A response is	the credential(s) still cannot be validated,	issue Letter 5273.
A response is not	n/a	issue Letter 5273.

Note: If the response to Letter 5122-A arrives prior to the due date and a Letter 5273 is warranted, issue the Letter 5273 immediately. Do not wait for the waiting period to expire.

- (3) When issuing Letter 5273, take the following actions in TPPS:
- a. Attach to the TPPS case any response to Letter 5122-A received from the preparer or practitioner,
 - b. Create a new Work Note indicating whether a response to Letter 5122-A was received and, if so, the date and type of response, and whether it validated the credential,
 - c. If the response does not validate the credential, print and mail Letter 5273. The follow-up date will auto-populate.

25.20.3.5.2.2
(08-18-2021)
Response to Letter 5273

- (1) After issuing Letter 5273, use this table to determine the next steps:

If ...	and ...	then ...
a response is received,	the credential can be validated,	consider the credential to be valid. Issue Letter 5070.
no response is lapsed,	credential can be validated through another search of the state website or CPA Verify,	consider the credential to be valid. Issue Letter 5070.
a response is received,	the credential(s) still cannot be validated,	consider the credential to be invalid. Issue Letter 5070.
a response is received stating the preparer or practitioner is no longer practicing due to retirement or other reason,	n/a	consider the credential to be invalid. Issue Letter 5070.

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- (2) Follow guidance in IRM 25.20.3.5.2.3 to close the case.
- (3) Consider whether a referral outside of RPO is warranted. See IRM 25.20.3.5.3.

25.20.3.5.2.3
(01-09-2024)
Closing the Case

- (1) Take the following actions in TPPS:
- a. Mark the credential as valid or invalid, as applicable, and complete the associated fields.

Exception: This step does not apply to a case in which the PTIN status is Deceased or Expired, or the only credential is a CAA or S RTP.
 - b. Attach the practitioner’s response to the case, if applicable.
 - c. Create a new Work Note indicating if a letter was sent and a response received. If a response was received, note the date and type of response, and whether it validated the credential.
 - d. Change the state to Closed and select a case Outcome.

(2) Use the following Outcomes:

If ...	and ...	the Outcome is ...
the PTIN status is Deceased or Expired, or the only credential is a CAA, SRTP, or any other credential not listed in IRM 25.20.3.5 (3) ,	n/a	- No action Taken
the credential is valid,	no letter was sent,	Valid
the credential is valid,	Letter 5070 was sent,	Valid/5070 letter sent
the credential is invalid due to lack of response or insufficient response to a letter,	n/a	Invalid-Not Found/ Invalid-Not Active
preparer or practitioner is no longer practicing,	Letter 5070 was sent,	Invalid-Not Found/ Invalid-Not Active

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(3) Consider whether a referral outside of RPO is warranted. See IRM 25.20.3.5.3.

25.20.3.5.2.4
(01-09-2024)

**Response Received
After Case Closure**

- (1) If a response to any letter issued to the preparer or practitioner is received after the case has been closed, review the response for any additional information and, if necessary, research the appropriate website to determine if the credential can now be considered valid.
- (2) If, based on the response, the credential is valid, take the following actions:
 - a. Create a new TPPS Ad-Hoc case.

Note: The case type (PDC-AFSP or PDC-Revalidation) will be the same as the original case.
 - b. Upload the new documentation.
 - c. Create a new Work Note.
 - d. Mark the credential as valid.
 - e. Issue Letter 5070.
 - f. Set the case state to CLOS-Closed and enter a case Outcome.
 - g. Select a case Outcome to valid/5070 Letter sent.
 - h. Update the disposition to PDC2-Resolved/Credential(s) valid/ 5070 Letter Sent and enter the new disposition date.
- (3) If the response and/or research does not verify the credential, take the following actions:

- a. In the original TPPS case, create a new Work Note and upload the new documentation, and
- b. Call the preparer or practitioner and explain why the response did not validate the credential or send an ad hoc Letter.

25.20.3.5.3
(03-27-2019)

**Referring a Case
Outside of RPO**

- (1) For all PDC cases, consider whether the case meets the criteria for a referral to another function. Referrals are made in conjunction with actions taken by Suitability; a referral does not prevent Suitability from completing the PDC.

25.20.3.5.3.1
(08-18-2021)

**Referral to the Office of
Professional
Responsibility (OPR)**

- (1) Refer a case to OPR when any of the following PDC issues apply:
 - a. The credential is suspended or revoked (even if the person has other active credentials).
 - b. The practitioner is disbarred or in probation status.

Caution: Retired, inactive, expired or deceased cases should not be referred to OPR.
 - c. If there are multiple credentials, only send to OPR the credential that is suspended, disbarred, revoked, or on probation for cause.
- (2) The Suitability Analyst will:
 - Process the case as appropriate for the situation.
 - Add a new Work Note in TPPS.
 - Reassign the case in TPPS to the Lead.
 - Send an email notification to the Lead and notify them a case was re-assigned and meets OPR transfer criteria.
- (3) The Lead will confirm that the referral is appropriate.
 - If the referral is not appropriate, close the case in TPPS with notes overriding the transfer to OPR and inform the Suitability Analyst and their manager that the referral did not meet the referral criteria.
 - If the referral is appropriate, close the case in TPPS and complete the OPR spreadsheet on SharePoint.

25.20.3.5.3.2
(08-18-2021)

**Referral to the Treasury
Inspector General for
Tax Administration
(TIGTA)**

- (1) Refer a case to TIGTA when:
 - the credential is not found, and it appears the preparer or practitioner has made a false representation, or
 - the copy of the provided credential appears to have been altered, manipulated or shows any indications of fraud.

Exception: Do not refer any credential that the preparer or practitioner indicates was a mistake.
- (2) Create a new Work Note with the reason why the case meets TIGTA referral criteria.
- (3) Mark the credential invalid in TPPS and reassign the case to your Lead. Notify your Lead via email that the case meets TIGTA referral criteria. Include the TPPS case number.
- (4) If the Lead agrees with the referral, the Lead will:

- select a TPPS Final Action that indicates referral to TIGTA.
- gather the supporting documentation and email it to the Suitability TIGTA liaison, and
- close the case and add case information to TIGTA Referral spreadsheet on SharePoint.

(5) If the Lead disagrees with the referral, the Lead will:

- close the case in TPPS with notes overriding the transfer to TIGTA, and
- inform you and your manager that the referral did not meet the referral criteria.

25.20.3.6
(03-27-2019)
**Personal Tax
Compliance (PTC)
Checks**

- (1) The purpose of a Federal personal tax compliance (PTC) check is to review personal and business tax accounts to determine if a practitioner has filed all required tax returns and is in compliance with tax payment obligations.
- (2) Checks rely on information found in IDRS. While this subsection instructs analysts to use specific IDRS codes to conduct research, analysts should also refer to the Servicewide Electronic Research Program (SERP) *Document 6209* , *Document 6209 Code Retriever*, and/or any other available IRS research tool for additional IDRS guidance.
- (3) Analysts should not provide practitioners with specific information related to their tax accounts, but instead should refer them to the IRS Customer Service toll-free number.

25.20.3.6.1
(03-27-2019)
**PTC Checks - Annual
Filing Season Program
Participants**

- (1) Personal tax compliance checks are conducted on Annual Filing Season Program participants who fail an initial automated tax compliance screening.
- (2) These cases are assigned and worked in TPPS.

25.20.3.6.1.1
(08-18-2021)
Tax Data Security Codes

- (1) For security purposes, tax data cannot be stored in TPPS. The following codes must be used in TPPS Work Notes in place of personal tax data. Add the two-digit tax period after the code when it is necessary to specify a year.

		#
		#
		#
		#
		#
		#
		#
		#
		#

If there is a closed case...	then ...
for a different tax compliance issue,	continue processing the case.

(3) To close a duplicate case:

1. Create a Work Note for that case stating the reason for closure.
2. Set case state to Closed.
3. Select Outcome-No Action Taken.

25.20.3.6.1.3
(03-27-2019)

Determining Compliance

(1) Perform research to determine if an individual is in tax compliance. To be considered compliant, the individual must meet these criteria:

- a. Has filed all required tax returns for both personal and business accounts. See IRM 25.20.3.6.1.3.1, for a description of the specific research to perform.

years. See IRM 25.20.3.6.1.3.2, for a description of the specific research to perform. #

(2) An individual who does not meet the above criteria may still be compliant if meeting any conditions listed in IRM 25.20.3.6.1.3.3. Consider the criteria to be met if any of those conditions apply to otherwise unmet criteria. Consider each tax year separately; do not consider the individual to be fully compliant because one out of multiple years meets a condition in IRM 25.20.3.6.1.3.3.

(3) Use this table to determine the next actions:

If ...	then ...
the individual has met the criteria,	the individual is tax compliant and has passed the PTC check. Close the case using procedures in IRM 25.20.3.6.1.8.
the individual has not met the criteria, and the case does not have a condition that delays resolution as described in IRM 25.20.3.6.1.4.4,	follow instructions in IRM 25.20.3.6.1.4 to notify the individual of the tax compliance issue.
the individual has not met the criteria, and the case has a condition that delays resolution as described in IRM 25.20.3.6.1.4.4,	suspend the case following guidance in IRM 25.20.3.6.1.7. Note: Certain conditions may prevent suspension of the case. See the referenced subsection for details

25.20.3.6.1.3.1
(03-27-2019)

Unfiled Tax Returns

(1) To be considered compliant, the individual must have filed all required tax returns for both personal and business accounts.

- (2) Research IDRS command codes IMFOLI and BMFOLI to identify any tax years where the individual has not filed a tax return, either personal or business. Research only the most recent six years.

Example: For the 2018 processing year, look for unfiled returns from the 2013 processing year through the 2018 processing year.

- (3) Use this table to determine if the individual is required to file a return:

IDRS Indicator	Determination	Basis for Determination
Master Status Code 02 or 03	A return is required	Income has been reported to the IRS on an information return.
Master Status Code 04, but not for the current processing year	A return is required	The individual has indicated knowledge that a return must be filed. Suitability assumes there is a filing requirement for income not reported to the IRS on an information return, such as self-employment income.
Master Status Code 04, for the current processing year, and the extension deadline has not passed (as of the application date)	A return is not required	The individual may submit a return before the deadline.
Master Status Code 04, for the current processing year, after the extension deadline	A return is required	The individual has implied knowing that a return is due. Suitability assumes there is a filing requirement for income not reported to the IRS on an information return, such as self-employment income.
Master Status Code 06, if the individual is the primary taxpayer on the account	A return is not required	Filing requirement is considered satisfied, even if a return is not received.
Master Status Code 06, if the individual is the secondary taxpayer on the account and the primary taxpayer also has a filing exemption	A return is not required	Filing requirement is considered satisfied, even if a return is not received, as long as the primary taxpayer is not required to file a return.

IDRS Indicator	Determination	Basis for Determination
Estimated Tax Payment posted to account	A return is required	The individual made payments and then failed to file a return. Example: A return was due March 31, 2015. It is now June 15, 2015 and an estimated tax payment is posted to the account. This is considered to be an unfiled tax return.

Note: Do not consider the individual to have an unfiled return unless IDRS indicates that a return is due.

- (4) If there are any unfiled returns, see IRM 25.20.3.6.1.3.3 for any exceptions that would allow the individual to be considered compliant.

25.20.3.6.1.3.2
(03-27-2019)

Balance Due

- ceptions.
- (2) Compute the current total balance due using IDRS command code SUMRY or

- a. Do not subtract estimated tax payments, shown by Transaction Code (TC) 430, from the balance due on the account.
- b. Do not include the balance due for years in which the Collection Statute Expiration Date (CSED) has expired. The CSED can be found using various IDRS command codes, including TXMOD and IMFOLT. In general, the time frame for collection is 10 years from the assessment date and the account is generally cleared automatically if the CSED has expired.

Note: If a CSED expires for any of the tax years while the PTC case is open, note the date the CSED expired and that the individual balance was resolved due to CSED.

- c. Do not include the Shared Responsibility Payment (SRP) in the computation. The individual shared responsibility provision of the Affordable Care Act (ACA) requires the taxpayer(s) and each member of their family to have qualifying health care coverage (called minimum essential coverage), qualify for a coverage exemption, or make an individual SRP when they file their federal income tax return.

- The penalty is assessed in a separate account module with MFT 35 carrying a TC 240 with penalty reference number (PRN) 692.
- An MFT 35 SRP module can be mirrored by MFT 65 if the SRP is assessed on a joint return.

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any exceptions that would allow the individual to be considered compliant.

25.20.3.6.1.3.3
(08-18-2021)

**Conditions that Resolve
an Account**

- (1) There are instances when an individual is considered compliant even with unfiled returns or balances due. Depending on the condition, the individual will either be considered to have resolved the compliance issue and receive a Notice of Resolution, or the analyst will update the follow-up date past the date that the exception expires to temporarily suspend the case. Below is a list of conditions, although it is not all inclusive.
 - a. Current Year Filing Extension: For current processing years only, if the individual filed an extension (TC 460), consider that year's return compliant until the extension deadline.
 - b. Hardship/Currently Not Collectible (CNC) (Master File status code 53 and TC 530 with closing codes 24 through 32): The IRS may not collect on this account for various reasons indicated by the TC 530 closing codes.
 - Confirm that there are no reversals on the module (TC 531, TC 532 or TC 537).
 - Not all accounts with status code 53 are CNC TC 530; confirm there is a TC 530 on the account. Also, if there is no active TXMOD, the account may be CNC but not show status code 53. When the account becomes inactive, IMFOLI will show the status of the account before it became CNC, and there will be a TC 530 with no reversal codes.

Caution: If there is a TC 530 on the module with Closing Codes other than the ones stated above, continue processing the case.
 - c. Installment Agreements (Master File status code 60 or 63): The individual has agreed to pay an outstanding liability through a payment plan.
 - d. Bankruptcy (Master File status code 72 and/or a "–V" freeze): The IRS is prevented from enforcement activity while the automatic stay is in effect during a bankruptcy case.
 - e. Offer in Compromise (OIC) (Master File status code 71): The individual and IRS have agreed to an amount to be paid in lieu of the entire debt. An accepted OIC will have a TC 780 or TC 788.
 - f. Open Identity Theft case (TC 971 with AC 522 on the account, with no TC 971 AC 501 or TC 971 AC 506. Also, an open identity theft control is shown on TXMOD): The individual has an open identity theft claim and the case should be closed following instructions in IRM 25.20.3.6.1.8.
 - g. Deceased Taxpayer: Information from a third party or a date of death on INOLES may indicate that the individual is now deceased. Before closing the case, confirm the date of death on INOLES or with a death certificate. Note in TPPS that the case was closed due to death, including the date of death, and close as No Action.
- (2) If the individual has unfiled returns or balances due for multiple tax years, but not all of the years meet a condition listed above, then do not consider the individual to be compliant. However, address only the tax years that do not meet one of the conditions.

25.20.3.6.1.4
(08-18-2021)
Issuing Letters

- (1) This section describes the sequence of letters Suitability issues to a practitioner who has not met the tax compliance criteria in IRM 25.20.3.6.1.3. The letters are sent in the order listed, when applicable, according to guidance in the following subsections.
 - a. Letter 4911-A. This letter notifies the practitioner of a tax compliance issue that could affect the ability to practice before the IRS and requests they resolve it.
 - b. Letter 4912-A. This letter notifies the practitioner of a tax compliance issue that may affect their ability to participate in the Annual Filing Season Program.
 - c. Letter 5284. Send this letter if the practitioner has still not resolved the issue after an additional 35 days, and the case meets OPR criteria.
 - d. Letter 5070. Send this letter if the practitioner's response or additional research determines that the practitioner is now in compliance.
- (2) Before issuing any letter, determine if the tax account has a condition that delays issuance of a letter according to IRM 25.20.3.6.1.4.4.
- (3) If, at any time while the case is open, the practitioner responds to a letter by submitting information that resolves the compliance issue or if IDRS research finds that the practitioner is now in compliance, send Letter 5070 immediately and close the case following instructions in IRM 25.20.3.6.1.8.

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- (5) Once the response period for a letter has elapsed, research IDRS to determine if the practitioner has resolved all tax compliance issues on all tax accounts.

Reminder: Research is required prior to taking any subsequent actions on a case.

- (6) Any subsequent tax compliance issue that arises after initial research needs to be addressed and resolved as well. Do not restart the letter sequence.

Example: The practitioner was originally noncompliant due to an unfiled return for tax year 2015 and Letter 4911-A was sent . The practitioner then files a

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tioner has resolved the original issue but is still not compliant. The practitioner does not have any conditions that resolve the account or delay letter issuance, so issue Letter 4912-A.

25.20.3.6.1.4.1
(01-09-2024)
Letter 4911-A

- (1) Send Letter 4911-A as the initial contact with the practitioner. This letter notifies them of a tax compliance issue that could affect the ability to practice before the IRS and requests they resolve it.
- (2) Take the following actions in TPPS:
 - a. Create a new Work Note.
 - b. Click start working, go to Outcome, select requires preparer input, then click pending.
 - c. The case state will automatically go to awaiting info.
- (3) The follow-up date will auto-populate.
- (4) After sending Letter 4911-A:

If ...	then ...
the practitioner responds by the due date	refer to IRM 25.20.3.6.1.5 for next actions.
the practitioner does not respond by the due date, but IDRS research shows that the tax compliance issue has been resolved,	send Letter 5070 and close the case following instructions in IRM 25.20.3.6.1.8.
the practitioner does not respond by the due date, and IDRS research shows that the tax compliance issue remains unresolved,	issue Letter 4912-A. See IRM 25.20.3.6.1.4.2. Exception: Do not send the letter if there is a condition that delays case resolution according to IRM 25.20.3.6.1.4.4.

25.20.3.6.1.4.2
(01-09-2024)

Letter 4912-A

- (1) Send Letter 4912-A if the practitioner has not resolved the tax compliance
4911-A. Letter 4912-A notifies them that if they fail to resolve the issue, it may have an affect on their ability to participate in the Annual Filing Season Program.
- (2) Complete the description box in the letter with "Tax Compliance Issues".
- (3) Take the following actions in TPPS:
 - a. Create a new Work Note,
 - b. Click start working, go to Outcome, select requires preparer input, then click pending.
 - c. The case will automatically go to awaiting info. The follow-up date will auto-populate.
- (4) After sending Letter 4912-A:

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If ...	then ...
the practitioner responds by the due date,	refer to IRM 25.20.3.6.1.5 for next actions.
the practitioner does not respond by the due date, but IDRS research shows that the tax compliance issue has been resolved,	send Letter 5070 and close the case following instructions in IRM 25.20.3.6.1.8.

If ...	then ...
the practitioner does not respond by the due date, and IDRS research shows that the tax compliance issue remains unresolved,	<ul style="list-style-type: none"> If the case meets the criteria for referral to OPR in IRM 25.20.3.6.1.6, issue Letter 5284. Also take the following actions in TPPS: <ol style="list-style-type: none"> Create a new Work Note, Click start working, go to Outcome, select requires preparer input, then click pending. The case state will automatically go to Awaiting Info. The follow-up date will auto-populate. If the case does not meet the OPR referral criteria, close the case following instructions in IRM 25.20.3.6.1.8.

25.20.3.6.1.4.3
(01-09-2024)
Letter 5284

- (1) Send Letter 5284 if the practitioner has still not resolved the tax compliance meets the criteria for referral to OPR in IRM 25.20.3.6.1.6.
- (2) Take the following actions in TPPS:
 - a. Create a new Work Note,
 - b. Click start working, go to Outcome, select requires preparer input, then click pending.
 - c. The case state will automatically go to awaiting info. The follow-up date will auto-populate.
- (3) After sending Letter 5284:

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If ...	then ...
the practitioner responds by the due date,	refer to IRM 25.20.3.6.1.5 for next actions.
the practitioner does not respond by the due date, and IDRS research shows that the tax compliance issue has been resolved,	send Letter 5070 and close the case following instructions in IRM 25.20.3.6.1.8.

If ...	then ...
the practitioner does not respond by the due date, and IDRS research shows that the tax compliance issue remains unresolved,	<ul style="list-style-type: none"> If the case still meets the criteria for referral to OPR in IRM 25.20.3.6.1.6, transfer the case to OPR following the instructions in that subsection. If the case no longer meets the criteria for referral to OPR, close the case following instructions in IRM 25.20.3.6.1.8.

25.20.3.6.1.4.4
(08-18-2021)

Conditions that Delay Resolution

- (1) **Do not** issue any letters to a practitioner if any of the following conditions exist:
 - a. Criminal Investigation. A “-Z” freeze indicates that a criminal investigation is in progress.
 - b. Stay of Collection (Combat/Military). A “-C” freeze indicates a combat/military freeze on the account when the module is in an active notice or Taxpayer Delinquent Account (TDA) status, ST 43 and 44. Research IMFOLI to determine if combat freeze is current.
 - c. Disaster Freeze. “-S” and “-O” freeze codes on the tax module in question indicate a disaster freeze. ENMOD shows when the disaster freeze will end.
 - d. Open Taxpayer Advocate Case. An open control on TXMOD with category ATAO indicates an open case. Suspend all tax years with Taxpayer Advocate involvement.
- (2) Following guidance in IRM 25.20.3.6.1.7, suspend any case with a condition that delays letter issuance unless:
 - the account has a -Z freeze. In this case, stop and notify your Lead. CI must agree before any more work can be done.
 - the Annual Filing Season Program deadline has passed (for Annual Filing Season Program cases). In this case, close the case No Action following guidance in IRM 25.20.3.6.1.8.

Note: All suspense cases should be rechecked a minimum of every 30 days.

25.20.3.6.1.5
(08-18-2021)

Responses to Letters

- (1) If a practitioner responds to a letter with information that resolves the tax compliance issue, issue Letter 5070 and close the case according to IRM 25.20.3.6.1.8.
- (2) If the practitioner responds to the letter, but the response does not resolve the tax compliance issue and there are more than five business days until the follow-up date expires, call the practitioner or send an ad hoc letter advising that the response was not sufficient and to contact IRS Customer Service at (800) 829-1040 to determine the exact tax compliance issue. Also take the following actions in TPPS:

- a. Create a new Work Note.
- b. Attach any documents received to the case.
- c. Take the next action on the follow-up date.

Note: If the practitioner calls, provide the same information contained in the ad hoc letter. Analysts are not permitted to give detailed tax compliance or balance due information to the practitioner. Create a new Work Note documenting the details of the call.

- (3) If the practitioner responds to the letter, but the response does not resolve the tax compliance issue and there are five or less business days until the follow-up date expires, wait until the follow-up date and take the appropriate case actions.
- (4) See IRM 25.20.3.6.3 for guidance on how to handle common preparer responses.
- (5) Consider a referral to OPR as outlined in IRM 25.20.3.6.1.6, even if a practitioner responds to a letter.

25.20.3.6.1.6
(08-18-2021)

**Referring a Case to the
Office of Professional
Responsibility (OPR)**

- (1) Refer a case to OPR when either of the following PTC issues exist:

- a. A credentialed preparer has failed to file two or more tax returns in violation of the federal tax laws.

Note: For quarterly returns, the practitioner has failed to file four quarterly returns, whether or not the unfiled quarters are consecutive.

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- (2) The Suitability Analyst will:

- Process the case as appropriate for the situation.
- Add a new Work Note in TPPS.
- Reassign the case in TPPS to their Lead.
- Notify the Lead of the reassignment.

- (3) The Lead will determine if the referral is appropriate.

- If the referral is appropriate, the Lead will close the case in TPPS, complete the OPR spreadsheet on SharePoint, and notify the appropriate Suitability Program Analyst of the referral.
- If the referral is not appropriate, the Lead will close the case in TPPS as "Disallowed" and document the work notes.

25.20.3.6.1.7
(01-09-2024)

Suspending a Case

- (1) Managerial approval is required to suspend a case or extend the suspension.

- (2) To suspend a case, take the following actions in TPPS:

1. Upload an approved Group Management Concurrence Form.
2. Create a new Work Note to document why the case is being suspended.
3. Set case Outcome to SUSP-Suspense.
4. The follow-up date will auto-populate.
5. Every 30 days, review the case until the account is resolved, the suspense condition has ended, or the Annual Filing Season Program deadline has passed.

25.20.3.6.1.8

(01-09-2024)

Closing the Case

- (1) After all PTC case processing is complete, and if the case was not referred to OPR, follow the procedures in this subsection to close the case.

Note: Follow guidance in IRM 25.20.3.6.1.6 to close a case as an OPR referral.

- (2) Take the following actions in TPPS:

- a. Update the Work Notes.
- b. Set case state to Closed.
- c. Select the case Outcome as follows:

If the practitioner...	and...	then change Case Outcome to...
passed the PTC check,	no letters were sent,	Approve and select Tax Compliance Case Outcome Exempt TCC
passed the PTC check,	a Letter 5070 was sent,	Approve and select Tax Compliance Outcome Exempt TCC
did not pass the PTC check,	there is a condition that delays letter issuance, and the Annual Filing Season Program deadline has passed,	Disallowed and select Tax Compliance Outcome Not Exempt TCC
did not pass the PTC check,	a Letter 4912-A or Letter 5284 was sent, and the case does not meet OPR referral criteria,	Disallowed and select Tax Compliance Outcome Not Exempt TCC

- (3) In certain circumstances, the Lead may direct the analyst to close a case without completing the normal case processing procedures (managerial approval is required). For these cases, take the following actions in TPPS:

1. Upload an approved Group Managerial Concurrence Form.
2. Create a new Work Note and document why the case is being closed.
3. Set case state to Closed.
4. Select case Outcome - No Action Taken.

25.20.3.6.1.9

(01-09-2024)

Response Received After Case Closure

- (1) If a practitioner submits a response after the case is closed, review the response for any additional information and research IDRS to determine if the practitioner is now in compliance.
- (2) If the practitioner is now in compliance (and the Annual Filing Season Program deadline has not passed), then take the following actions in TPPS:
1. Forward the case to the Lead. The Lead will create a new case. Input RPO Suitability as the Source, and PTC-Referral as the Subcategory.

2. Create a new Work Note.
3. Issue Letter 5070.
4. Set the case state to Closed.
5. Select the case Outcome - Approve and select Tax Compliance Outcome Exempt TCC.

(3) If the response does not verify that the practitioner is now in compliance, or the Annual Filing Season Program deadline has passed, the Suitability Analyst will:

1. Upload the new response.
2. Create a new Work Note.
3. Call the practitioner to inform them of the determination.
4. Go into the existing closed case and follow steps above.

25.20.3.6.2
(08-18-2021)
PTC Checks - Enrolled Agents

- (1) PTC checks are performed on all initial applicants for enrolled agent status. They are assigned and worked in e-Trak.
- (2) To determine if an individual applying for enrolled agent status is in compliance, follow guidance in IRM 25.20.3.6.1.3.1 and IRM 25.20.3.6.1.3.2 to check for unfiled returns and outstanding balances, respectively. Also consider guidance in IRM 25.20.3.6.1.3.3 for conditions that resolve an otherwise non-compliant account.
- (3) If the applicant is in compliance, document the case as Passed in e-Trak and reassign the case to the LIE listed on the spreadsheet used to track cases.
- (4) If the applicant is not in compliance:
 - a. document the case as Failed in e-Trak.
 - b. attach all research to the e-Trak record.
 - c. issue Letter 5965, Notice of Potential Denial. The applicant has 30 days

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Exception: Do not send the letter if the tax account has a condition that delays resolution as described in IRM 25.20.3.6.1.4.4. In this case, consult your Lead for guidance.

(5) After sending Letter 5965:

If...	and...	then...
the applicant responds timely,	the response indicates compliance,	<ul style="list-style-type: none"> • issue Letter 5070. • document the case as Passed in e-Trak. • reassign the case to the LIE who originally processed the application.

If...	and...	then...
the applicant responds timely,	the response does not indicate compliance,	issue Letter 5966, Notice of Denial, and refer to the next table.
the applicant does not respond timely,	IDRS research shows the applicant is now in compliance,	<ul style="list-style-type: none"> • issue Letter 5070. • document the case as Passed in e-Trak. • reassign the case to the LIE who originally processed the application.
the applicant does not respond timely,	IDRS research shows the applicant is still not in compliance,	issue Letter 5966, Notice of Denial, and refer to the next table.

Note: See IRM 25.20.3.6.3 for how to handle common responses.

- (6) The applicant has 30 calendar days to submit a written protest to Letter 5966, Notice of Denial. After sending Letter 5966:

If...	then...
If the applicant protests the enrollment denial within 30 days of sending Letter 5966 ,	follow guidance in IRM 25.20.3.4.2.4.
If the applicant does not protest the enrollment denial within 30 days of sending Letter 5966,	<ul style="list-style-type: none"> • document the case as Failed in e-Trak. • reassign the case to the LIE who originally processed the application.

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25.20.3.6.3
(08-18-2021)
Handling Common Responses

- (1) If the practitioner claims to be working with a Revenue Officer (RO) or Revenue Agent (RA):
- Contact the RO or RA to determine the time frame they have given the practitioner to become compliant, and request approval from management to suspend the case. See IRM 25.20.3.6.1.7.
 - After the suspense date has passed, check IDRS to determine if there has been any action on the account. If the practitioner is now compliant, follow the instructions in IRM 25.20.3.6.1.8 to close the case. If the practitioner is still not compliant, inform the RO or RA that you are continuing with your required actions and send the next letter.

- (2) If an applicant requests additional time, use this table to determine how to respond:

If ...	then ...
the request is made without a justification,	grant a two week extension.
the request is justified by a valid reason (such as a serious illness or death of a family member),	grant an extension of up to 30 days. Use judgment for the amount of time granted, and, when in doubt, confer with Lead.
the practitioner requests an extension of more than 30 days,	consult the manager. If approved, follow guidance to suspend the case in IRM 25.20.3.6.1.7.

Note: When additional time is granted, add a Work Note with an explanation of why the follow-up date was changed.

- (3) If the practitioner claims to have filed a return, allow additional time for processing, with approval from management. On average, it can take six to eight weeks to process a return and 12-16 weeks to process an amended return. Keep these time frames in mind when determining whether to suspend or close the case. If you decide to suspend the case, follow procedures in IRM 25.20.3.6.1.7.

Exception: If an EA applicant claims to have filed a return and submits proof of filing, consider the applicant to be compliant. Issue Letter 5070 and close the case. You do not have to wait for IRS to process the return.

- (4) If the practitioner claims to have no filing requirement:
- Perform new research to see if the information on IDRS has changed since the initial research.
 - If IDRS shows a TC 430 on the account, consult the Lead.
 - If the new research resolves the issue, send Letter 5070 and close the case following instructions in IRM 25.20.3.6.1.8.
 - If the issue remains unresolved, continue processing the case following the instructions in IRM 25.20.3.6.1.5.
- (5) If the practitioner claims to be a victim of identity theft, check IDRS command code ENMOD for an existing TC 971 with an AC 522 on the account. Use this table to determine how to proceed:

If ...	then ...
there is not a current TC 971 with an AC 522 on the account,	advise the practitioner to contact IRS Customer Service at 800-829-1040. Continue processing the case.

If ...	then ...
there is a TC 971 with an AC 522 on the account, but it has been reversed with a TC 972 AC 522,	the IRS has denied the identity theft claim. Continue processing the case.
there is an unreversed TC 971 with an AC 522, and there is a TC 971 with an AC 501 or TC 971 with an AC 506,	the IRS has accepted the identity theft claim and the account has been corrected. Continue processing the case.
there is an unreversed TC 971 with an AC 522, but no TC 971 with an AC 501 or TC 971 with an AC 506,	the IRS has not yet resolved the identity theft claim. Submit a request to the group manager to close the case.

25.20.3.7
(01-09-2024)

Prisoner Checks

- (1) The IRS revokes the PTINs of all preparers who are incarcerated. Therefore, Suitability performs prisoner checks to identify PTIN holders who are currently incarcerated. An incarcerated person is one who is imprisoned and not legally permitted to receive compensation for tax return preparation.
- (2) Suitability does not perform prisoner checks for cases in which the PTIN is revoked, the PTIN holder is deceased, or there is a duplicate case. All other prisoner cases are worked in TPPS.

Note: If there is an indication that the PTIN holder is in a halfway house or under house arrest, refer to the Lead for additional guidance.

- (3) Check TPPS to determine if the PTIN is revoked, the PTIN holder is deceased, or there is a duplicate case. If none of these factors are present, continue processing the case following procedures in IRM 25.20.3.7.1.
- (4) If the PTIN is revoked, the PTIN holder is deceased, or there is a duplicate case, close the case as No Action by taking these actions in TPPS:
 - a. Create a Work Note explaining why the case is being closed.
 - b. Set the case state to Closed.
 - c. Select the case Outcome No Action Taken.

25.20.3.7.1
(03-27-2019)

Processing the Case

- (1) Suitability issues the following sequence of letters for prisoner cases:
 - Letter 5130, *Notice of Proposed Revocation*
 - Letter 5131, *Notice of Revocation*
 - Letter 5070, *Notice of Resolution*

25.20.3.7.1.1
(01-09-2024)

Letter 5130

- (1) Send Letter 5130 as the initial step in the case. Do not perform any research.
- (2) After sending Letter 5130, take the following actions in TPPS:
 1. Update the Work Notes.
 2. Click start working, go to Outcome, select requires preparer input, then click pending.

3. The case state will automatically go to awaiting info. The follow-up date will auto-populate.

- (3) Use the following table to determine the next steps:

If ...	then ...
a response is not received by the due date,	send Letter 5131. See IRM 25.20.3.7.1.2.
a response is received indicating that the PTIN holder is not incarcerated,	confirm the claim by following guidance in IRM 25.20.3.7.1.1.1.

25.20.3.7.1.1.1
(08-18-2021)

Determining Current Incarceration

- (1) If the PTIN holder has denied current incarceration, determine if the information provided in the response is sufficient to confirm the claim. Sufficient information includes notarized court documents with incarceration and release dates, paperwork from a probation officer, or other conclusive documentation. Insufficient information includes personal written statements, a document with a missing release date, or other inconclusive documentation.
- (2) If the information provided with the response is insufficient, perform research using the following:
- Accurant
 - IDRS
 - VINELink
 - Bureau of Prisons (BOP)
 - Inmate Locator
 - State Websites

- (3) After research:

If ...	then ...
research confirms that the PTIN holder is not currently incarcerated,	issue Letter 5070 and close the case following guidance in IRM 25.20.3.7.2.
research does not confirm that the PTIN holder is not currently incarcerated,	issue Letter 5131 and continue processing the case (see IRM 25.20.3.7.1.2).

25.20.3.7.1.2
(01-09-2024)
Letter 5131

- (1) Send Letter 5131 if no response was received to Letter 5130, or the response is not sufficient to confirm that the PTIN holder is not currently incarcerated.
- (2) After sending Letter 5131, take the following actions in TPPS:
1. Attach any documents received from the PTIN holder.
 2. Update the Work Notes.
 3. Click start working, go to Outcome, select requires preparer input, then click pending.

4. The case state will automatically go to awaiting info. The follow-up date will auto-populate.

(3) Use the following table to determine the next steps:

If ...	then ...
a response is not received by the due date,	revoke the PTIN following guidance in IRM 25.20.3.7.1.2 (4) and close the case following guidance in IRM 25.20.3.7.2.
a response is received but it is insufficient to confirm the PTIN holder is not incarcerated (see IRM 25.20.3.7.1.1.1),	revoke the PTIN following guidance in IRM 25.20.3.7.1.2 (4) and close the case following guidance in IRM 25.20.3.7.2.
a response is received confirming the PTIN holder is not incarcerated (see IRM 25.20.3.7.1.1.1),	send Letter 5070 and close the case following guidance in IRM 25.20.3.7.2.

(4) Take the following actions in TPPS to revoke a PTIN:

- From the Closure Information tab, select 'PTIN Revoked' from the Outcome dropdown.
- Select the 'Close' button from the top right-hand corner of the page. This will automatically close the case and populate all of the appropriate fields. The Preparer's PTIN status will be automatically set to 'Revoked'.

25.20.3.7.2
(01-09-2024)
Closing the Case

(1) Close a prisoner case by taking these actions in TPPS:

1. Attach any documents received from the PTIN holder.
2. Create a new Work Note.
3. Change the case state to Closed.
4. Select Outcome PTIN Revoked.

25.20.3.7.3
(08-18-2021)
Response Received after Case Closure

(1) If a written appeal is received after the case is closed, perform research described in IRM 25.20.3.7.1.1.1.

(2) After research:

If ...	then ...
research confirms that the PTIN holder is not currently incarcerated,	forward the case to your Lead for resolution.

If ...	then ...
research does not confirm that the PTIN holder is not currently incarcerated,	<ol style="list-style-type: none">1. attach the written appeal and your research to the case in TPPS,2. create a new Work Note,3. contact the PTIN holder by correspondence and/or telephone to advise that the written appeal was not sufficient to reverse the decision.

Reminder: Do not create a new case in TPPS; use the existing closed case to take the needed actions.

