5. DEBTOR ASSET LOCATION SECTION

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5.1 BUSINESS ENTITIES
5.1.1 Skip Tracing
5.1.1.1 Skip Tracing Introduction

Background

Skip tracing is a term used to describe a search for a business entity and its assets. Franchise Tax Board (FTB) staff analyze collection cases entering manual work states. Accounts lacking current contact or asset information require collectors to skip trace for this information. Skip tracing progresses as the need for additional information and collection activity is identified.

Purpose

FTB staff skip trace to gather contact information, locate assets, and to gain compliance. If compliance is not obtained, assets may be seized to satisfy tax liabilities.

Responsibility

FTB staff are responsible to locating and contacting a responsible party (e.g., corporation officer, partner, tax practitioner, etc.). Generally, telephone contact is the first action taken on a case. The collector is responsible for identifying the need to skip trace to pursue contact and asset information. FTB staff are responsible for following approved disclosure guidelines when skip tracing.

Action

After an account is analyzed, and skip tracing is necessary, FTB staff first tries to locate a telephone number for an immediate contact. If a telephone number is not found, FTB staff skip trace for address and asset information.

NOTE: FTB staff should consider the debtor's type of business when using outside resources to skip trace.

Reference

Internet
Lexis Nexis
((****))
((****))
((****))
((****))
((****))
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.2 Third Party Contacts

Background

A third party contact is someone other than the entity's officer or authorized representative. Third party contacts include landlords, neighboring business and associates. See the ((****)) for additional information.

Purpose

Franchise Tax Board (FTB) staff contact third parties to gather information on an entity.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when contacting a third party. FTB staff are responsible for providing third party language, protecting confidential tax information, and for asking appropriate questions. Third party language is explained on form ((****)).

Action

FTB staff must:

- Give the third party the third party information/language and note the third party's response.
- Request information on the entity, its assets, and its authorized representatives.
- Document the third party's response.

Utilize referenced sites to locate third party contacts.

Reference

Lexis Nexis
Board of Equalization
Internet (searchbug.com)
Tax Returns
Public Service Bulletin 00-16
((****))
((****))
((****)), Demand to Furnish Information
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.3 Locating Telephone Numbers

Background

The telephone is our primary collection tool. Telephone contact often reveals whether or not an entity will comply. The response and information obtained during the initial telephone call will determine future actions.

Purpose

Franchise Tax Board (FTB) staff use telephone numbers of business entities, representatives listed on the Power of Attorney form, and third party contacts to assist with the resolution of a case.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing for telephone numbers.

Action

Utilize referenced sites and systems to locate telephone numbers.

Reference

Tax Returns
TI System
BETS System
Board of Equalization
Employment Development Department
Lexis Nexis
Internet
Telephone Directory Assistance
((****))
((****))
((****)), Demand to Furnish Information
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.4 Locating Current Address

Background

Upon contact with a business entity or its representative, Franchise Tax Board (FTB) staff should verify the business entity's address. Anytime the business entity's address is flagged returned mail, invalid address, or incomplete address, we skip trace to locate an entity's correct address.

Purpose

FTB staff locate a current address to establish contact and determine if an entity is still in business. We contact an entity (including authorized representatives) to gain compliance and gather asset information. Locating a current address will also assist collectors if the account is later referred to a field office for resolution.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing for additional addresses.

Action

Utilize the referenced sites and systems to locate additional addresses.

Reference

TI System
Board of Equalization
Department of Motor Vehicles
Employment Development Department
Secretary of State
Internet
Tax Returns
Lexis Nexis
((****))
((****))
((****))
((****)), Demand to Furnish Information
((****)), Postmaster Request

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.5 Locating Authorized Representatives

Background

Skip tracing includes locating authorized representatives for an entity. An authorized representative is a third party that has been granted a Power of Attorney (POA). The POA allows the third party to receive confidential tax information and to act on behalf of the entity for tax matters specified in the POA document.

Purpose

Franchise Tax Board (FTB) staff contact authorized representatives to gain asset information and obtain compliance.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing for authorized representatives.

Action

Utilize the referenced sites and systems to locate authorized representatives.

Reference

Power of Attorney Database
Employment Development Department
Board of Equalization
Department of Alcoholic Beverage Control
TI System
Secretary of State
Internet
Tax Returns
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.6 Locating A Social Security Number (SSN)

Background

Skip tracing may include locating an SSN for officers of a business entity. With an SSN, we can obtain additional collection resources such as telephone numbers, addresses, bank information, and miscellaneous payors.

Purpose

Franchise Tax Board (FTB) staff may use an SSN to obtain contact information on officers, members, authorized representatives, and partners of a business entity.

Responsibility

When necessary, FTB staff must utilize all necessary resources to find an SSN to gain contact information from an entity.

NOTE: An individual's SSN is **never** input into unauthorized websites.

Action

Utilize referenced sites and systems to locate an SSN.

Reference

TI System
Tax Returns
Employment Development Department
Board of Equalization
Department of Motor Vehicles
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.7 Occupational Licensing (State and Federal)

Background

Skip tracing may include identifying an occupational license. Occupational license information can provide addresses, telephone numbers, additional contacts, type of business, etc.

Purpose

Franchise Tax Board (FTB) staff locate occupational license information to gain contact information, discover the type of business an entity engages in, and to determine the status of a license.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced sites to locate occupational license information.

Reference

NASD Security Dealers License
Securities and Exchange Commission
California Department of Corporations
((****))
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.8 Income Sources

Background

Skip tracing includes locating potential income sources such as: tenants, suppliers, landlords, financial institutions, accounts receivable payors, etc. Income sources tell us where some of the debtors income is derived from.

Purpose

Franchise Tax Board (FTB) staff may skip trace for income sources to obtain additional information that will assist with resolving a case (e.g., address, telephone number, etc.) This information may also help determine which involuntary action to take in order to resolve a case (e.g., Continuous Order to Withhold, Order to Withhold).

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced sites and systems to locate income sources.

Reference

Board of Equalization
Department of Motor Vehicles
Employment Development Department
Internet
TI System
Tax Returns
Copy of canceled check(s)
U.S. Securities and Exchange Commission Website
Lexis Nexis
((****))
((****))
((****))
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.9 Doing Business As (DBA)

Background

A business entity may operate under a different name than its registered name. This other name is known as: doing business as (DBA). When an entity uses a DBA, it can unintentionally hide contacts or assets from the Franchise Tax Board.

Purpose

Franchise Tax Board (FTB) staff will identify DBAs to help locate contacts and assets, which may be used to gain legal compliance.

Responsibility

FTB staff must identify and document the DBA name to help maximize collection actions. FTB staff must add DBAs to entity demographics, and include DBAs on all liens and levies. FTB staff are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced sites and systems to locate DBAs. If a lien exists on a case where the DBA was not included, a new lien should be filed to include the DBA name.

Reference

Board of Equalization
Employment Development Department
Secretary of State
Tax Returns
Internet
Lexis Nexis
Department of Alcoholic Beverage Control Website
((****))
((****))
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.10 Vehicles (Autos, Boats, Airplanes, etc.)

Background

Skip tracing may include locating, identifying, and documenting an entity's vehicle information. With this information we may also gain contact and asset information.

Purpose

Franchise Tax Board (FTB) staff locate vehicle information for potential seizure. Vehicle seizures may be used as a collection tool when Orders to Withhold and Continuous Orders to Withhold do not produce the desired results.

Responsibility

FTB staff are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced systems and sites to locate vehicle information.

Reference

Board of Equalization
Department of Motor Vehicles
Tax Returns
Internet
U.S. Coast Guard
National Vessel Documentation Center (Ph. # 1-800-799-8362)
Federal Aviation Administration
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.11 Real Property

Background

Skip tracing may include locating real property owned by an entity. Property information can provide additional addresses, business activity, additional contact information, financial institution information, tenant information, etc.

Purpose

Franchise Tax Board (FTB) staff locate real property to identify seizable assets. Locating these assets may lead to: additional contacts, issuance of a Continuous Orders to Withhold to tenants to seize rents, filing tax liens in the appropriate county where the property exists, assist potential field collections, and possibly provide information to substantiate missing tax year assessments.

Real property may be seized to satisfy a tax liability.

Responsibility

FTB staff are responsible for following approved guidelines disclosure guidelines when skip tracing.

Action

Utilize referenced sites to locate real property.

Reference

Lexis Nexis
Board of Equalization
Employment Development Department
Tax Returns
Internet
Real Estate Value Website
((****)), Demand to Furnish Information
((****)), Postmaster Request
((****))
((****))
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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5.1.1.12 Miscellaneous Property

Background

Skip tracing may include locating an entity's miscellaneous property. Miscellaneous property can include inventory, equipment, security deposits, etc.

Purpose

The discovery of miscellaneous property may satisfy a tax liability by seizure or attachment.

Responsibility

Franchise Tax Board (FTB) staff are responsible for following approved guidelines disclosure guidelines when skip tracing.

Action

Utilize referenced sites to locate miscellaneous property.

Reference

Board of Equalization
Tax Returns
Lexis Nexis
((****)), Demand to Furnish Information
((****))

NOTE: ((****)) = Indicates confidential and/or proprietary information.

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