

1 UNITED STATES DEPARTMENT OF THE TREASURY
2 INTERNAL REVENUE SERVICE
3 ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE
4 (ETAAC)

5
6 Public Meeting

7
8 Wednesday, June 19, 2019
9 9:05 a.m.

10
11 The Internal Revenue Service Auditorium
12 1111 Constitution Avenue, N.W.
13 Washington, D.C. 20224

14
15 MEMBERS PRESENT:

- 16 Doreen Warren, Chair
17 Phillip L. Poirier, Jr., Vice Chair
18 John Ams
19 Shannon Bond
20 John Breyault
21 Angela Camp
22 John Craig

1 MEMBERS PRESENT (Continued):

2 Jenine Hallings

3 Courtney Kay-Decker

4 Kathy Pickering

5 Lynnette T. Riley

6 Joseph Sica

7 Mark Steber

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P R O C E E D I N G S

MR. HARDY: Well, good morning, everyone.
Good morning. If you could please make your way to
your seats, we would greatly appreciate it. All right.
Well, good morning, everyone. And welcome to the 2019
ETAAC, Electronic Tax Administration Advisory Council,
report to Congress.

My name is Melvin Hardy. I am the director
of the National Public Liaison. I will keep my remarks
short since we have a very full schedule.

If you are recording this, like my good
friend Kathy Pickering, that is fine. No. Welcome.
And we have a full schedule.

We are really happy that everyone is here.
We are honored to have our deputy commissioner, Kirsten
Wielobob, representing the IRS leadership here. And so
right now, I will turn it over to Kirsten for some
brief remarks and then turn it over to our chair of
ETAAC, Doreen Warren. Kirsten?

DEPUTY COMMISSIONER WIELOBOB: Thanks, Mel.

So I am glad to be with you guys here today
at the ETAAC meeting on behalf of Commissioner Rettig

1 and the IRS leadership. He is at NYU I think.

2 MR. HARDY: That is right.

3 DEPUTY COMMISSIONER WIELOBOB: And so it is
4 going to be par for the course that we will see him
5 quoted in the press.

6 (Laughter.)

7 DEPUTY COMMISSIONER WIELOBOB: Hopefully I
8 won't be quoted in the press. That is one of the
9 differences besides the height between him and me.

10 (Laughter.)

11 DEPUTY COMMISSIONER WIELOBOB: So in the late
12 1990s, I was working at IRS as an assistant to
13 Commissioner Rossotti as Congress drafted IRA-98. So I
14 recall very clearly the 80 percent goal. I also
15 remember the ETAAC authorization. I also remember how
16 nervous the agency was about 80 percent goal.

17 So here we are today. We are well past 80
18 percent. And I am in the commissioner's office again
19 but in a different role. So I have been able to watch
20 over the last 22 years --

21 (Laughter.)

22 DEPUTY COMMISSIONER WIELOBOB: I have been

1 able to watch the agency surpass the goal.

2 I have also watched groups like ETAAC
3 flourish. I have also watched the Security Summit and
4 ISAC get started and really take off. The partnerships
5 between IRS, state tax administrations and private
6 industry are really critical to effective tax
7 administration and protecting, as we call it, the tax
8 ecosystem, which was a term that didn't exist back in
9 the 1990s, by my recollection. See, that is sort of my
10 timeframe, '80s-'90s, right?

11 But, specifically regarding your report, I
12 really appreciated your recommendations on several
13 topics. And I know we are doing a summary, but I did
14 read ahead. Okay? I usually don't read ahead.

15 (Laughter.)

16 DEPUTY COMMISSIONER WIELOBOB: Now, one area
17 is identity theft and refund fraud. You know, as you
18 point out, we really do need to continue our efforts
19 here as the sophistication of the bad actors improves.
20 And it seems to just continue to improve. So we really
21 do need to continue focus there.

22 And I do note that thatongress acknowledged

1 the important work you are doing here but codifying the
2 charter extension and the Taxpayer First Act. I
3 thought that was pretty interesting. And, thankfully,
4 the legislation also includes provisions to expand 6103
5 for ISAC, which is really, really critical in my view.
6 We have been pushing for that a couple of years on
7 several different fronts. So I appreciate that you
8 guys are focused on that and have stayed focused on
9 that.

10 There are other aspects of the report that I
11 wanted to mention, too. In my current role, I
12 appreciate that you mentioned getting amended returns
13 filed electronically. That will help IRS and taxpayers
14 on a number of levels: reduction in burden, increased
15 ability to fight refund fraud. There is a couple of
16 things. I am a broken record on a couple of topics,
17 and that is one of them.

18 I also appreciated the comments on employment
19 return e-filing. You know, in the Taxpayer First Act,
20 they reduce the threshold from 250 returns to 10
21 returns. I would have preferred ripping off the Band-
22 Aid, but it is what it is. I appreciate that it is in

1 there at all and that you guys have included it as
2 well.

3 So just generally on behalf of the
4 commissioner, on behalf of the IRS, we really
5 appreciate your work. Chair, we appreciate all the
6 time and effort and leadership that you have put into
7 ETAAC this last year. And, Phil, appreciate. Thanks
8 in advance. How about that? Thanks in advance for the
9 leadership you are going to provide. Again, these
10 groups are critical to effective tax administration.
11 And I know this takes a lot of time and effort. And I
12 want to acknowledge that and thank you for it.

13 So, with that said, I am going to turn it
14 over to you and hear more about your recommendations.

15 CHAIR WARREN: Thank you. Thank you, Deputy
16 Commissioner Wielobob.

17 DEPUTY COMMISSIONER WIELOBOB: Good job
18 because that is a hard one. That is a hard one.

19 (Laughter.)

20 CHAIR WARREN: First thing done.

21 DEPUTY COMMISSIONER WIELOBOB: Yes.

22 CHAIR WARREN: Okay. I appreciate your

1 comments.

2 And the IRS has achieved significant progress
3 against the identity theft/tax refund fraud since the
4 formation of the Security Summit back in 2015. And
5 over the period of 2013 to 2018, the progress has been
6 reflected by a decline of confirmed identity theft/tax
7 refund fraud returns.

8 Some other indicators of that progress
9 include a 71 percent decrease in the number of
10 taxpayers reporting they were identity theft victims
11 and the IRS' protection of 24 billion -- that is with a
12 "b" -- billion dollars in fraudulent refunds and
13 financial industry recovery of additional \$1.4 billion
14 in fraudulent refunds.

15 Also, during that same period, IRS has also
16 been a reduce its year-over-year inventory backlog of
17 taxpayers who filed identity theft reports. This
18 progress reflects the continuing commitment and
19 collaboration of the members of the Security Summit.
20 The IRS, state revenue agencies, and industry have been
21 integral in the success of this project.

22 Sustaining the Security Summit's ability to

1 detect and prevent identity theft/tax refund fraud will
2 require continued engagement with existing and new
3 partners, as the deputy commissioner mentioned. Even
4 with the progress that we have continued to see, this
5 year was not without its challenges, and we have
6 recognized those challenges that the IRS has overcome.
7 First of all, the commitment and professionalism of the
8 IRS leadership and staff during the government shutdown
9 was exemplary. Notwithstanding the disruption, the IRS
10 prepared and executed contingency plans that minimize
11 the impact of the shutdown on its operations, including
12 its efforts to stop identity theft/tax refund fraud,
13 but we highly recommend that you do not do that again.
14 So if you have any control.

15 (Laughter.)

16 DEPUTY COMMISSIONER WIELOBOB: Right.

17 CHAIR WARREN: Okay. Also, the
18 implementation of the new tax laws, such is the Tax
19 Cuts and Jobs Act requires IRS resources, both to
20 implement the substantive elements of any new law and
21 also to analyze and prepare for potential new identity
22 theft/tax refund fraud opportunities created by that

1 law. However, no matter the progress, we cannot rest.
2 Given the evolving nature of this threat, we continue
3 to be concerned that identity theft and refund fraud
4 will be a challenge for some time to come.

5 ETAAC is encouraged by Commissioner Rettig's
6 priority to protect taxpayers and the tax ecosystem and
7 his recognition that the Security Summit is a terrific
8 example of what the public and private sectors can do
9 when they work together. We look forward to working
10 with Commissioner Rettig and his team in future years.

11 Now let's turn over to our report. Hopefully
12 you have our lovely 2019 report. And it contains many
13 relevant sections. So I encourage you to read it cover
14 to cover. Today, however, we will only focus on our
15 primary 10 recommendations. We have organized our
16 recommendations around three key things: first,
17 strengthening the Security Summit and the ISAC through
18 funding, participation, and membership; second,
19 improving security by establishing clear and
20 enforceable security standards; third, protecting and
21 enabling taxpayers by addressing identity proofing and
22 identity verification practices as well as tightening

1 the Taxpayer Protection Program. Our report also
2 includes an update on the IRS' efforts to increase
3 electronic filing.

4 Today, we are going to do two things. First,
5 before turning to our specific recommendations, our
6 subgroup leaders who are up here will review ETAAC's
7 engagement with the Security Summit and the progress of
8 the Security Summit working groups in ISAC to date.
9 Second, we will take a break. And then several ETAAC
10 members will provide a high level overview of each of
11 our specific recommendations for congressional or IRS
12 action.

13 With that, let me introduce our subgroup
14 leaders. We have John Ams to the far, my right; Mark
15 Steber; Joe Sica. And then, of course, Phil Poirier is
16 our vice chair. So right now, I will turn it over to
17 Joe Sica.

18 MR. SICA: Thank you, Doreen. And welcome.
19 My name is Melvin. No, no.

20 (Laughter.)

21 MR. SICA: The wrong one. I am not allowed
22 to speak extemporaneously.

1 (Laughter.)

2 MR. SICA: So I will now be sticking to the
3 script here. Okay. Thanks, Doreen, seriously.

4 My name is Joe Sica. And, as the filing
5 subgroup leader, my team is focused on the activities
6 of three Security Summit workgroups. First, the
7 authentication workgroup, they are tasked with
8 strengthening authentication by finding new ways to
9 validate taxpayers and tax return information. Second,
10 the strategic threat assessment and response, or the
11 STAR workgroup. They are tasked with addressing
12 identity theft points of vulnerability and have current
13 focus on enhancing the cybersecurity across the tax
14 ecosystem, which didn't exist when Kirsten started.
15 And, lastly, the financial services working group, they
16 are finding ways to leverage the financial services
17 industry to identify and block identity theft refunds,
18 and prevent criminals from using financial products to
19 enable their schemes.

20 It is most notable, to me at least, that the
21 banks are the last stop for the refunds, of ill-gotten
22 refunds, I should say, due to identify theft schemes.

1 So I think they are a critical part of the ecosystem.

2 These working groups made progress in several
3 areas in 2018. First, the authentication workgroup,
4 they continue to improve schemas and procedures
5 critical for reviewing tax returns. They analyze the
6 contributions of the summit's industry partners in
7 order to better discuss and guide those same industry
8 partners concerning identity theft-related data quality
9 and completeness. Data efficiency is key to everything
10 we do in fighting identity fraud.

11 Looking ahead, we expect the authentication
12 group to continue to analyze and identify additional
13 data elements for future consideration and to validate
14 EFINs, verify W-2s, and evaluate potential taxpayer
15 account lock and unlock features.

16 Next is the STAR working group. They
17 continue to work to implement the National Institution
18 of Standards and Technology, NIST as many of you know
19 it, cybersecurity framework for the tax software and
20 payroll industries. They are also establishing a
21 three-year trusted customer plan that aligns with the
22 NIST digital identity guidelines. And, looking ahead,

1 ETAAC expects that the STAR working group will continue
2 to expand the trusted customer roadmap for the payroll
3 community and to continue its focus and support for
4 improved cybersecurity education.

5 Finally, the financial services working
6 group, they continue their prevalidation initiative
7 with financial institutions. And this is preventing
8 suspect refunds from leaving the treasurer initially.
9 So that is a good filter. They have launched the pilot
10 project with the Bureau of Fiscal Services to support
11 the IRS external leads program by enhancing the not-to-
12 reject process. And, looking ahead, ETAAC expects the
13 financial services working group to continue evaluating
14 and expanding the prevalidation and BFS pilots and to
15 conduct outreach with more financial institutions
16 potentially impacted by identity theft/refund fraud and
17 expand the external leads process. Again, the banks
18 are the last stop before the money disappears. So
19 financial institutions are critical. As the front end
20 gets better, possibly the financial institutions will
21 become less important, but to the extent that things
22 slip through the cracks now, the banks are the last

1 backstop.

2 So looking at the last past few years, in
3 ETAAC, we have made several recommendations to improve
4 the business tax schema data elements as well as
5 identity proofing and authentication, including an
6 expansion of the IP PIN program. We are pleased to
7 report progress in both of those areas.

8 Nevertheless, there are still many
9 opportunities relating to our past recommendations,
10 such as integrating new communities into the Security
11 Summit and, very important, creating mechanism to
12 anticipate, not just to react to emerging cybersecurity
13 and tax-related identity theft threats; in other words,
14 putting the "s" back in strategic. We will touch on
15 some of these areas in our 2019 recommendations.

16 If I had to identify one big issue in the
17 areas that I have been discussing, I would say it's how
18 to better understand and integrate new industries and
19 expand further the existing ones into the Security
20 Summit in a most effective and efficient way.

21 For example, of both, we know that the
22 criminals are targeting the payroll companies to steal

1 data or enable identity theft/tax refund fraud schemes.
2 It would be highly effective, then, to educate and
3 integrate more payroll companies into these schemes.
4 It seems common sense, but we have to persevere and do
5 that.

6 We also know that enhancements in one area
7 can affect efficiencies in the other. For instance,
8 because of the PATH Act, increased information return
9 matching has helped identify that the existing
10 preparation software industry needs to be more
11 sensitive to how accurately data is initially entered;
12 in other words, auto-populate versus manual or fat
13 fingering, as some of us know. The more accurate data
14 is entered up front, the better efficiency and less
15 false positives of matching out the back end. So that
16 makes the whole idea of PATH Act more efficient.

17 So the IRS needs to be able to move more
18 quickly in a more targeted manner to affect these types
19 of integrations. And our 2019 report has some specific
20 recommendations concerning these areas.

21 I would like to hand off now to John Ams, the
22 outreach subgroup leader.

1 MR. AMS: Good morning, everyone. My team is
2 focused on the activities of two Security Summit
3 workgroups: the communications and taxpayer awareness
4 workgroup, which is tasked with increasing awareness
5 among individuals, businesses, and tax professionals,
6 including the payroll industry, on the need to protect
7 sensitive tax and financial information. We also work
8 with the tax professional workgroup, which is tasked
9 with examining the impact of Security Summit
10 initiatives on the tax professional community and how
11 it can contribute to the prevention of identity
12 theft/tax refund fraud. Let me first review some of
13 the progress made by these two workgroups.

14 The communications and taxpayer awareness
15 workgroup continued its "Taxpayer Security Awareness"
16 campaign, the "Taxes. Security. Together" campaign,
17 and also expanded his campaign directed at tax
18 professionals, which is the "Protect your client.
19 Protect yourself" campaign. These have been in our
20 view highly effective.

21 This workgroup also conducted its third
22 annual tax security awareness week in December of this

1 past year, expanded its outreach through social media.
2 And, looking ahead, we expect them to continue finding
3 new ways to leverage social media channels. And we
4 also know that they are going to enhance their
5 cybersecurity sessions provided at the nationwide IRS
6 tax forums that will begin shortly, in a few weeks, I
7 believe.

8 The tax professional workgroup, meanwhile,
9 continued to contribute to the development of content
10 for the IRS' tax security campaigns, also leveraged
11 social media to share the availability of continuing
12 education credit for information security courses,
13 expanded the returns for PTINs functionality on the IRS
14 website to enable preparers to spot potential misuse of
15 their PTINs. Looking ahead, we expect them to continue
16 to focus on ways to engage tax professionals to improve
17 their security posture.

18 Looking at the past few years of ETAAC
19 reports, we made several recommendations to build tax
20 professional security awareness and capability. We
21 have also recommended that IRS have a single
22 organization responsible for coordinating the

1 development and implementation of security standards
2 for tax professionals without regard to their
3 professional designation or role.

4 As Doreen mentioned, substantial progress has
5 been made. However, we should all recognize that
6 progress in one or a number of areas does not mean that
7 the cyber criminals are not busy exploring
8 opportunities in other areas. We have heard at public
9 meetings, for example, that businesses and the tax
10 professionals serving them are increasingly being
11 targeted because of the confidential taxpayer data they
12 have in their files. Consequently, if I had to
13 identify one big issue in these areas, I would say it
14 is this.

15 How can we move large disparate groups, such
16 as tax return preparers, payroll providers, return
17 transmitters, employers businesses, how can we move
18 those groups to take the necessary action to protect
19 taxpayer data and prevent identity theft/tax refund
20 fraud? As we stated in our report, the IRS cannot
21 communicate its way to a more secure tax professional
22 community, not possible. We need to move beyond just

1 creating awareness. We need to trigger action. For
2 that reason, our recommendation is that Congress grant
3 IRS the explicit authority to develop; implement; and,
4 importantly, enforce appropriate information security
5 standards and practices in the area of the tax
6 administration.

7 At this point, I would like to hand off to
8 Mark Steber, the information-sharing subgroup leader.
9 Mark?

10 MR. STEBER: Thank you, John.

11 Good morning, everyone. My name is Mark
12 Steber. I manage or help manage the information
13 subgroup working groups. This incorporates two of the
14 Security Summit workgroups: the information-sharing
15 workgroup and the Information Sharing and Analysis
16 Center, otherwise known as the ISAC.

17 The information-sharing workgroup was one of
18 the first pivotal groups of the Security Summit. It is
19 tasked with identifying opportunities for information
20 sharing to improve the collective capabilities of the
21 entire tax ecosystem for detecting and preventing ID
22 theft and tax refund fraud.

1 As Joe mentioned, the path of ID theft and
2 tax refund fraud is a long one. It starts with the
3 false filing of a tax return. And the information-
4 sharing group and the ISAC are one of the principal
5 groups for identifying information that can help
6 mitigate on the front end. A lot of stuff happens all
7 during the path, but the front-end throttles and
8 filters are critical. And the information-sharing
9 group was initially charged as part of the Security
10 Summit with collecting data and figuring out which data
11 can help better, you know, authenticate a tax return.

12 The second group and an equally important
13 group is the Information Sharing and Analysis Center,
14 commonly known as the ISAC. It is tasked with
15 centralization, standardization and enhancing the data
16 compilation capabilities of the entire ecosystem,
17 basically putting into actionable form some of the
18 information collected as part of the tax process. And
19 we will talk a little about the ISAC here in a moment,
20 but it is really important to note that it is kind of
21 the maturation of the overall Security Summit process,
22 collecting data, processing data, analyzing the data,

1 and at least preventing some of these schemes from
2 going to scale. And we have moved from a pilot program
3 to a full functional group now this year. And we will
4 talk about that in a moment.

5 But some of the important notifications for
6 the information-sharing group is that they continue to
7 refine the lead schema elements. For individuals, they
8 rolled out a new business-related identity theft schema
9 for this season. They have developed a new alert form
10 that allows ISAC members to approach very quickly the
11 rapid response team of the IRS for suspicious activity
12 and immediately take action to prevent scaling and,
13 very specifically, had a very successful year, the
14 information-sharing subgroup.

15 Going forward, we think the information-
16 sharing group will continue to assess, as they do each
17 year, a robust process of evaluating the data elements
18 to see what works, you know, what has a high target
19 success rate, what perhaps is overstepping we don't
20 need anymore. So the continued process to evaluate the
21 data elements, very important.

22 They are going to continue to explore

1 opportunities for sharing and enhancing information
2 with other stakeholders and partners. And, as we saw
3 on the Taxpayer First Act, some of those tools are
4 going to come online, hopefully this year, as part of
5 that new law, further empowering the sharing and
6 utilization of information.

7 The Information Sharing and Analysis Center,
8 again, the ISAC, it transitioned from a pilot to an
9 operational platform, which could not be overstated in
10 terms of importance. It is now a permanent member of
11 our identity theft/refund fraud prevention techniques.

12 We are very happy to report that they have
13 increased the membership to over 65 members and
14 growing, full active members in different levels. And,
15 of note, all states are now a party to the ISAC in some
16 form or fashion. And many of the team members on the
17 ETAAC that are a part of the ISAC outreach committee
18 helped to achieve that. So it was a very, very, you
19 know, probably low-profile achievement, but we have
20 many active members and are looking for more. And, as
21 Joe mentioned, we are looking to extend that outreach
22 to other business partners and payroll.

1 Looking ahead for the next year, we are
2 looking to superpower the ISAC with some of these new
3 tools that may be part of the Taxpayer First Act to
4 allow greater data sharing with financial institutions
5 and other members.

6 Another important development of the ISAC --
7 and I have been a part of this -- is they are building
8 out and expanding the skills of the ISAC participation
9 members with training and additional skill building so
10 that it is not just a tool there that exists and we
11 send data to it as part of the tax community, but we
12 learn how to use that data and we share that
13 information and training with others in our group. So
14 building out skills and, you know, allowing other
15 persons, you know, to take advantage of that, you know,
16 and expanding membership cannot be overstated.

17 And we are going to continue to explore new
18 information and data sources, including other ISACs,
19 multistate ISACs, the National Association of ISACs, or
20 government agencies, to improve the detection and
21 utilization of data and avoid false positives.

22 We are also going to continue to partner with

1 new friends and new members, as with Lynne Riley of the
2 State of Georgia, who has now been promoted to
3 treasurer. We hope she will be an ambassador to other
4 states to expand our -- you know, really to partner
5 with them.

6 And in the past, we have made several
7 recommendations along the ISAC and the information-
8 sharing workgroup. But if I were to name, as we were
9 asked to do, one big thing to focus on for the report
10 this year, I think it is some of the recommendations
11 that look to take information sharing and the ISAC
12 tools to the next level, both in training, both in the
13 detection of fraud schemes, the utilization of our data
14 to empower, you know, the system as it is and to expand
15 other members into the ISAC and to the information-
16 sharing group and the Security Summit as a whole, so
17 bringing to the next level all the tools that we have
18 set up over the last few years, utilizing the
19 infrastructure that we built, the new rules that may be
20 a party to the Taxpayer First Act or other legislative
21 changes that may happen to allow even greater use of
22 the tools and data we have to truly put tax fraud and

1 identity theft, you know, as a backburner issue for us
2 and delivery of taxpayer services being at the
3 forefront.

4 And at this point, I would like to turn it
5 back over to Doreen for some concluding comments.

6 CHAIR WARREN: Thank you, Mark. Thank you,
7 Joe, John, and Mark for your overview and thoughts. I
8 appreciate that.

9 So just some administrative things here.
10 When we return from our break -- we are quickly
11 approaching our break time. When we return, our ETAAC
12 vice chair, Phil Poirier, will facilitate our sharing
13 of more details about our specific recommendations. So
14 if you are able to stay, I would really encourage you
15 to do so.

16 But before we break, I will turn it back to
17 Deputy Commissioner Wielobob for some final comments.

18 DEPUTY COMMISSIONER WIELOBOB: Thank you very
19 much. And so let's see. My new phrase for 2019 is "We
20 are going to superpower the ISAC."

21 (Laughter.)

22 DEPUTY COMMISSIONER WIELOBOB: I am going to

1 remember that one. I will add it to my tax ecosystem.

2 I am keeping a list.

3 So thank you, guys, for the overview. And we
4 appreciate the recommendations that you made in your
5 report. And, as you know, we will consider them. And
6 where it is feasible, we will work to implement them.

7 But we do look forward to continuing the
8 partnership we have established. I hope to watch it
9 flourish, continue to flourish. As I said before, I
10 think it is a really important part of tax
11 administration. I think that it has become part of tax
12 administration, if that makes any sense. It is not
13 just an idea out there anymore, Security Summit and
14 ISAC. It has taken root. And I think that is positive
15 for all of us.

16 I appreciate the time that you guys spend
17 with us, helping us. We really value the work that you
18 put in and the recommendations that you provide to us.
19 So, again, to everybody, thank you very much.

20 With that, I think that we will break and
21 rejoin or regroup for more recommendations.

22 CHAIR WARREN: Perfect. Thank you.

1 DEPUTY COMMISSIONER WIELOBOB: Thank you.

2 (Applause.)

3 (Recess taken.)

4 VICE CHAIR POIRIER: Morning. My name is
5 Phil Poirier. I am the vice chair of ETAAC. And at
6 this stage of our meeting, several ETAAC members will
7 come up and just provide a brief oral summary of our
8 specific recommendations.

9 We are very appreciative of the hundreds and
10 thousands of hours of ETAAC volunteer hours to get this
11 report done and all of the support we got from IRS in
12 providing us with the necessary information and access
13 to staff to get our questions answered and provide
14 insights. For context, in each of the past two years,
15 ETAAC has provided approximately 20 recommendations, so
16 a total of 40 over the past 2 years. And, as we began
17 to discuss this year's report last fall, one of the
18 things we did was make a conscious decision to try and
19 reduce the number of recommendations to those specific
20 points that we thought were most important and
21 impactful. In some cases, that involved restating or
22 clarifying past recommendations as we learn more as

1 things evolve.

2 One point that I think is important to
3 recognize is that we start to finalize our report in
4 early April. So there are some developments that can
5 occur between April and the date of this meeting that
6 reflect or can impact some of our recommendations. And
7 we will try and call those out when we see them. In
8 most cases, they have been very positive developments,
9 maybe in all cases. Actually, the ones I am thinking
10 of, in all cases, they are positive developments.

11 We have organized our recommendations around
12 three themes. And you can see a summary list of the
13 recommendations on page 19 and 20, our 10
14 recommendations.

15 The first theme we have is strengthening the
16 Security Summit and ISAC. Doreen mentioned that. We
17 have five recommendations in this area. Courtney
18 Decker will summarize recommendations 1 through 3,
19 which are focused on strengthening the funding and
20 operation of the ISAC. Then Jenine Hallings will
21 summarize recommendations 4 and 5, which are focused on
22 expanding the Security Summit in connection with the

1 payroll communities and the financial services
2 companies.

3 The second theme is around improving
4 security. And we have two recommendations in this
5 area. Shannon Bond will summarize recommendations 6
6 and 7, which are focused on assessing the current state
7 of tax professional security and implementing security
8 standards, which includes authorization for IRS to do
9 so.

10 The third and final theme is protecting and
11 enabling taxpayers and other tax stakeholders. We have
12 three recommendations in this area. Lynne Riley is
13 going to summarize recommendations 8 and 9, which are
14 focused on identity verification, which is really a key
15 prerequisite to IRS being able to offer online and
16 mobile services. And, then, finally, recommendation 10
17 will be summarized by J. C. Craig, who is focused on
18 the IRS Taxpayer Protection Program.

19 Additionally, although our current focus has
20 been on identity theft/tax refund fraud and security,
21 we don't want to ignore electronic filing and the
22 progress that has been made in that area, as Deputy

1 Commissioner Wielobob mentioned.

2 The increase in electronic filing was the
3 driving force behind Congress' decision to create an
4 ETAAC back in 1998. So, to wrap up this portion of our
5 public meeting, Kathy Pickering is going to spend a few
6 minutes summarizing ETAAC's assessment of the current
7 state of electronic filing.

8 So, with that, I would like to hand off to
9 Courtney Decker, who will summarize the first set of
10 recommendations.

11 MS. KAY-DECKER: I love all the people
12 helping me up the stairs. Does everyone know that I
13 fall all of the time?

14 (Laughter.)

15 PARTICIPANT: Yes, we do.

16 MS. KAY-DECKER: So they are helping me up
17 the stairs. Yes, yes. It usually results in a broken
18 ankle. So it is probably good to have some assistance.
19 Thank you, Phil.

20 As Phil mentioned, ETAAC has five
21 recommendations along the theme of strengthening the
22 Security Summit and the ISAC. I am going to cover the

1 first three of those recommendations, which focus on
2 the ISAC itself.

3 So, as background for the ISAC for anybody in
4 the room who doesn't know what it is, it is a public-
5 private partnership on one side and a platform on the
6 other side. The partnership side consists of
7 representatives, equal representation from IRS,
8 industry, and the state revenue departments. And this
9 structure allows ISAC numbers to identify, report,
10 analyze, distribute, and act on identity theft/tax
11 refund fraud in real time.

12 The broad membership from the tax ecosystem
13 provides it with a unique ability to have visibility
14 across the entire ecosystem and, as Mark said, to
15 superpower, our ability to detect tax refund fraud
16 before money goes out and also to protect the tax
17 revenue, protect our taxpayers. So our report
18 recommends three opportunities for the continuous
19 evolution and improvement at the ISAC.

20 First, to date, funding for the ISAC
21 operations have been contingent on IRS finding funding
22 and reallocating other funds within its existing

1 budget. This contingent funding model creates
2 uncertainty for the ISAC's continued operations.

3 For fiscal year 2020, the IRS has requested
4 specific additional funding for identity theft
5 prevention. And in the recently submitted
6 congressional budget justification, our recommendation
7 1 reflects ETAAC's support for this request, which
8 would fund the ISAC as a permanent component of the
9 Security Summit. We think this appropriation is a good
10 investment that more than pays for itself because of
11 the ISAC's proven role in detecting and preventing the
12 issuance of fraudulent refunds.

13 As to recommendation 2 in the report, we
14 thank Congress for taking significant steps to help the
15 IRS and the ISAC continue to improve detection and
16 prevention of identity theft/tax refund fraud. Just
17 last week, as Commissioner Wielobob mentioned, Congress
18 passed the Taxpayer First Act on a bipartisan basis.
19 The act is on its way to the President's desk. Among
20 other things, the act gives the IRS specific authority
21 to participate in ISAC public-private partnerships.
22 Furthermore, the act amends section 6103 regarding the

1 use and disclosure of taxpayer information among
2 members of the ISAC, and those members still must agree
3 to protect that information in a similar way under the
4 other 6103 restrictions. Again, ETAAC appreciates the
5 work of Congress to address this recommendation that we
6 have had in the prior report and again in this report,
7 and these changes will significantly improve the
8 ability of the IRS and the ISAC to protect our nation's
9 taxpayers and gives us more superpowers along with our
10 cape.

11 Third, the ISAC's effectiveness rests on the
12 level and quality of member participation. We believe
13 there are two key opportunities in these areas. Now,
14 as Mark mentioned, the membership of the ISAC is
15 growing. As Joe mentioned, we need to reach out to
16 other constituencies. But, continuing to look inward,
17 we believe that there are two key opportunities in
18 terms of increasing the level of participation with
19 focused effort to educate members on how they can more
20 broadly participate and contribute to the success of
21 the ISAC. Additionally, the ISAC can improve the
22 quality of member participation by leveraging national

1 endorsing organizations to help the ISAC tailor
2 outreach and training to particular membership
3 segments. And our recommendation 3 focuses on the
4 level and quality opportunities within the ISAC.

5 With that, I am going to hand it off to
6 Jenine Hallings, who will summarize the last two
7 recommendations of this part.

8 MS. HALLINGS: Good morning. Thank you,
9 Courtney.

10 So I am going to take the group through the
11 next two sets of recommendations, number 4 and 5. They
12 focus on strengthening the Security Summit by expanding
13 its engagement with two key communities: the payroll
14 community and the financial services companies. First,
15 the payroll community is an attractive target for cyber
16 criminals, but it also has valuable insights that can
17 help detect and prevent identity theft and tax refund
18 fraud.

19 We think there are opportunities to more
20 fully integrate the payroll community into the Security
21 Summit and the ISAC. The IRS engages with the payroll
22 community in additional -- in many different ways.

1 These engagements are important, but we believe there
2 are additional opportunities that we can focus on.

3 We are recommending to understand,
4 prioritize, and integrate the payroll community. For
5 that reason, recommendation 4 calls for the IRS to
6 create a small team of Security Summit members to
7 conduct a review of the payroll community and develop a
8 plan for the community's full integration into the
9 Security Summit and the ISAC on an accelerated basis.

10 Second, the financial services companies play
11 a key role in tax administration by providing the
12 primary refund settlement vehicles for hundreds of
13 millions of taxpayers receiving the refunds. This role
14 provides them with unique insights and timely threat
15 intelligence.

16 ETAAC believes there is an opportunity to
17 leverage existing authorities for financial services
18 companies, such as the Patriot Act, to detect and
19 report criminal or fraudulent activities associated
20 with identity theft and tax refund fraud. If
21 permitted, under these laws, the IRS could enhance the
22 ISAC's information-sharing and analysis by creating

1 what ETAAC is referring to as a financial services
2 company's collaboration space, basically a platform
3 where financial services companies could share
4 information that is not currently being shared across
5 the ISAC membership.

6 This concludes our overview of
7 recommendations in part 1. I am going to hand this off
8 to Shannon Bond, who is going to summarize the next set
9 of recommendations.

10 MS. BOND: Thank you. Good morning.

11 (Laughter.)

12 MS. BOND: It is still morning. I am Shannon
13 Bond. And I am going to summarize our recommendations
14 related to security in our tax system.

15 As background, we are all well-aware that our
16 nation and its public institutions and its private
17 institutions and pretty much everyone and all of us,
18 constantly under attack by cyber criminals, the cyber
19 attacks on our nation states with these smart
20 adversaries growing in sophistication. They are smart.
21 They are persistent. They are constantly probing to
22 find the weakest links in our ecosystem, superpowered

1 or not. Increasingly, they have been targeting tax
2 professionals as well as others who hold critical
3 taxpayer information.

4 The IRS is aware of this growing threat, and
5 ETAAC has made recommendations to improve security in
6 both its 2017 and 2018 reports. Our 2017
7 recommendations focused on increasing tax professional
8 awareness of the threat and improving IRS guidance on
9 the implementation of security programs. Our 2018
10 recommendations extended that focus beyond just
11 building awareness but looking for approaches that
12 would lead to action by tax professionals. We have
13 also raised concerns about the absence of legally
14 required minimum security standards across both
15 individual and business tax as well as the payroll.

16 We are well-aware that there are questions
17 concerning the scope of the IRS' legal authority to set
18 requirements in this area and even with respect to
19 something as basic as requiring security education.
20 But the end result is to leave taxpayer information
21 more exposed to cyber criminals than it should be or
22 needs to be.

1 So we have two recommendations in this area.
2 First, we believe a prerequisite to helping tax
3 professionals improve their security is for IRS to have
4 a deeper understanding of the security posture, risks
5 and vulnerabilities of this community. For that
6 reason, recommendation 6 proposes that in collaboration
7 with the Security Summit, the IRS should develop and
8 execute a research effort to determine the state of
9 information security practices and vulnerabilities
10 within the tax professional community.

11 However, merely understanding the current
12 state is not going to be enough. The IRS needs to be
13 in a position to cause action. So given the
14 uncertainty about the legal authority, the IRS is
15 currently left to traditional outreach and education
16 approaches that influence tax professionals and
17 industry to implement information security programs.
18 IRS has made significant progress toward increasing
19 awareness and improving information and guidance on
20 security practices.

21 Oops. Joe turned the page.

22 (Laughter.)

1 MS. BOND: ETAAC has supported these efforts
2 and even offered recommendations to improve the
3 efforts. However, we realize the current approach is
4 inadequate. While IRS outreach and education programs
5 are vital, ETAAC believes that the IRS cannot
6 communicate its way to a more secure tax community.
7 ETAAC believes that sufficient progress to secure our
8 tax system cannot and will not occur unless and until
9 the IRS has clear authority to develop, implement, and
10 enforce appropriate information security standards. It
11 is for that reason recommendations 7 calls for Congress
12 to grant the IRS legal authority to develop, implement,
13 and enforce appropriate information security standards
14 and practices in the area of tax administration.

15 This concludes our overview of
16 recommendations in part 2 of our report. Yes, part 2.
17 Sorry. I am going to hand off to Lynne Riley and J. C.
18 Craig, who will summarize our final set of
19 recommendations, our third and final set of
20 recommendations.

21 MS. RILEY: Thank you, Shannon. And good
22 morning, everyone.

1 As Phil mentioned, ETAAC has three
2 recommendations focused on protecting and enabling
3 taxpayers and other stakeholders. I am going to cover
4 the first two recommendations, which focus on identity
5 verification.

6 The IRS must continue to supplement its
7 existing telephone and in-person service channels with
8 secure IRS digital and mobile services. A critical
9 first step for taxpayers to access and use these
10 electronic services rests on the ability of taxpayers
11 and other stakeholders to verify their identity. As a
12 state tax administrator, I personally observed the
13 challenges that taxpayers encountered in these identity
14 verification processes.

15 Digital identity verification requires a deep
16 understanding of the taxpayer and presents its own sets
17 of challenges in the current cyber security
18 environment. The days of relying on usernames and
19 passwords to protect sensitive information is long
20 gone.

21 Criminals have compromised so much personal
22 information from both government and private data

1 sources that even they can answer many of the private
2 questions that are posed to taxpayers during the
3 verification process. This situation has forced the
4 Federal Government to raise the bar for identity
5 verification, most recently with the issuance of
6 updated NIST digital identity guidelines.

7 These new guidelines will be challenging to
8 implement and fund on an ongoing basis. ETAAC has
9 discussed this challenge with the IRS and support IRS'
10 proactive and collaborative approach to implement the
11 new NIST guidelines.

12 However, the new NIST guidelines will place
13 an increased burden on taxpayers to verify their
14 identities. In fact, many will not be able to do so
15 digitally, which will require in-person or other
16 assisted visits to be verified. Therefore, ETAAC
17 believes that the IRS must expand its in-person
18 identity-proofing alternatives.

19 Recommendation 8 reflects ETAAC support for
20 IRS' approach to digital identity verification and
21 reaffirms our 2018 recommendation to expand the
22 availability of identity-proofing mechanisms in other

1 channels, including, for example, the implementation of
2 an IRS-trusted third party identity verification
3 program.

4 Secondly, we believe that the IRS cannot go
5 it alone in assessing and developing identity
6 verification solutions. There is an opportunity for
7 IRS to collaborate with and learn from Security Summit,
8 state and industry experts who face that same challenge
9 in delivering secure, accessible identity verification
10 alternatives, whether digital, telephonic, or in
11 person.

12 To that end, recommendation number 9
13 recommends that the IRS engage regularly with subject
14 matter experts from Security Summit members to identify
15 and potentially pilot emerging technologies or
16 approaches to verify identities across all channels.

17 I am going to hand off now to J. C. Craig,
18 who is going to summarize our final recommendation.

19 MR. CRAIG: Thanks, Lynne. As Shannon
20 described, the wholesale effect of volumes of detailed
21 personal information fuels the identity theft/tax
22 refund, and it makes distinguishing fraudulent from

1 legitimate returns difficult for the IRS.

2 I think it is important to take a step back
3 and realize that the victims of identity theft/tax
4 refund fraud are often our most vulnerable taxpayers:
5 low-income, elderly. I think often when we sit down as
6 a committee, we come back to this is about protecting
7 taxpayers, and that is our first priority. I think it
8 is important that we actually state that here because
9 we haven't said it explicitly. These are the taxpayers
10 who can often least afford to lose their refunds to
11 identity theft.

12 The IRS has taken numerous actions to
13 mitigate the impact of identity theft/tax refund fraud
14 on legitimate taxpayers. One such action is an
15 implementation of the Taxpayer Protection Program. The
16 purpose of the Taxpayer Protection Program is to screen
17 returns for indications of identity theft/tax refund
18 fraud early in the IRS return submissions process, then
19 to verify that the return was filed by the affected
20 taxpayer. These contacts involve the IRS notifying the
21 affected taxpayer by mail that they must take further
22 action to authenticate themselves and clear their

1 return.

2 Depending on the circumstance, that
3 authentication may be accomplished digitally, by phone,
4 or in person. Upon satisfactorily authenticating, the
5 taxpayer's return is released for further processing.

6 The IRS asked ETAAC to review the Taxpayer
7 Protection Program to identify possible improvements to
8 the taxpayer experience. In response, ETAAC had
9 several discussions with the IRS about the program and
10 reviewed other reports on the subject, most notably
11 from TIGTA and the National Taxpayer Advocate. For
12 context, about 2 million returns annually are selected
13 for the tax Protection Program, or just over 1 percent
14 of all individual returns.

15 ETAAC sees two big challenges for the
16 program. First, the program has a relatively high
17 false positive rate. The second, the program has a
18 relatively high rate of nonresponders; that is,
19 taxpayers who do not respond to the IRS communication.
20 Of course, some recipients will not respond to the IRS
21 because they are cyber criminals.

22 ETAAC is focused on the second challenge, how

1 to reduce the number of nonresponders or, said another
2 way, how to ensure all legitimate taxpayers respond to
3 the two Taxpayer Protection Program communications and
4 receive their refund with minimal disruptions.

5 Although there is no silver bullets, we
6 believe there are opportunities to increase the
7 response rate of legitimate taxpayers and improve the
8 taxpayer experience with the program. Our view is that
9 the Security Summit workgroups and the ISAC provide a
10 forum to gain state and industry insights that could
11 identify actions to improve the response rates.

12 We believe that the approach is consistent
13 with the recommendations to the taxpayer and the
14 taxpayer advocate's 2018 report to Congress.

15 ETAAC's recommendation number 10 formalizes
16 our belief that the IRS could should collaborate with
17 the Security Summit, the ISAC members to identify
18 actions to increase the rate of legitimate taxpayer
19 responding to the Taxpayer Protection Program.

20 This concludes our overview of ETAAC's 2019
21 recommendations. I am going to hand off to Kathy
22 Pickering, who will review the state of electronic

1 return filing.

2 MS. PICKERING: Thanks, J. C.

3 I am Kathy Pickering. And I use have to make
4 a few personal comments. I am just so honored to serve
5 with each of you on ETAAC committee. You are all just
6 such amazing professionals.

7 And I am really proud of our report this
8 year. Under your leadership, Doreen and Phil, I just
9 think we have come up with such a quality product. You
10 are just so amazing in the support that you provide us.
11 And it is just it is really exciting to see it all, you
12 know, come together at this moment. So excuse me.

13 (Applause.)

14 MS. PICKERING: I am sure you all feel as
15 proud as I do. I mean, this is a lot of hard work, a
16 lot of time, the eight-hour phone calls during the
17 government shutdown.

18 (Applause.)

19 MS. PICKERING: You know? And to see it all
20 come together today is something we should all feel
21 really proud of.

22 So, with that, since its inception, the

1 primary focus of ETAAC was on increasing electronic
2 filing. And when Kirsten talked about the original
3 goal of trying to hit 80 percent as such a high hurdle,
4 it is astounding to think of how far we have come.

5 ETAAC has consistently measured the progress
6 of electronic filing using a subcategory of IRS major
7 returns. Using that metric, ETAAC assesses that IRS
8 continues to maintain the overall e-file rate for major
9 returns just above 80 percent.

10 Individual returns continue to be
11 electronically filed at very high rates, approaching 90
12 percent, which we originally thought was impossible.
13 So that is amazing. Corporate, partnership, and
14 fiduciary return rates range from 81 to 87 percent.
15 However, employment returns are currently e-filed at
16 about a 45 percent rate. Although their e-file rate
17 has increased, employment returns continue to represent
18 the best opportunity to increase overall IRS e-filing
19 percentages.

20 Looking ahead, there are both potential
21 opportunities and uncertainties that affect electronic
22 filing. On the opportunity side today, amended returns

1 can only be paper-filed. That is an additional 3.9
2 million returns. IRS has identified a potential
3 timeframe for implementing e-filing of form 1040X,
4 which is the amended return.

5 The IRS partnership with industry and states
6 will be critical to having successful e-file efforts
7 around amended returns and is something that we are
8 really excited about.

9 On the uncertainty side, the impact of the
10 TCJA or tax reform on IRS e-file projections is still
11 an unknown. It is apparent, for example, that the
12 increase in the basic exclusion amounts may reduce the
13 number of gift and estate tax returns that need to be
14 filed in the future.

15 And we also noticed an increase in extension
16 filing, which impacts the timing of when returns are
17 filed. The number of extensions filed through May has
18 increased by 8 percent over last year. While this may
19 not materially affect the e-filing rate, it does impact
20 the timing of returns. While there is not one specific
21 issue that is driving this, there are a couple of
22 factors that may be contributing to the trend.

1 First, taxpayers with more complicated
2 returns waiting on K-1's and related information appear
3 to be filing extensions due to the uncertainties of
4 when they are going to be receiving the documents that
5 they need in order to file their returns.
6 Additionally, this year, some taxpayers are waiting to
7 see if the expired extender provisions get passed and
8 waiting until the end of the season so that they can
9 take advantage of specific provisions there.

10 And, with that, this concludes our review of
11 ETAAC's recommendations and the current state of
12 electronic filing. I am going to hand off to our
13 chair, Doreen, to close this portion of the public
14 meeting.

15 (Applause.)

16 CHAIR WARREN: So thank you, Phil, Courtney,
17 Jenine, Shannon, Lynne, J. C., and Kathy. Kathy
18 couldn't have said it better that this has been an
19 awesome team to work with over the year. So thank you
20 for that, Kathy.

21 So that is the summary of our 10
22 recommendations that we have in this year's report.

1 Not to put any of our IRS colleagues on the spot, but
2 if you have any initial reactions or comments you would
3 like to share, this is your opportunity. Mike? Terry?

4 MR. LEMONS: I will take closing if you want
5 to go first, Mike.

6 MR. BEEBE: Okay. I have some comments. So
7 I certainly appreciate the opportunity. First off, I
8 just want to take an opportunity to thank the ETAAC
9 members for your tireless work and dedication to combat
10 identity theft. In particular, I want to thank Doreen
11 as the chair and Phil as the co-chair. Thank you.

12 Also, there are several members that serve on
13 ETAAC but also participate actively in the Security
14 Summit. So I definitely want to recognize Kathy, Gene,
15 Lynne, Joe, and Mark. So thank you for your work, your
16 dual role on ETAAC and the Security Summit. In
17 particular, I want to recognize some folks that are the
18 rolling-off members from the ETAAC; in particular,
19 Shannon, who served as the -- serves as the co-lead on
20 the tax professional team; and also Doreen, who was a
21 founding member for that information-sharing work team.
22 So thank you, Doreen, and then also Courtney, who was

1 an ISAC senior executive board chair. So thank you
2 very much.

3 You know, these recommendations help us
4 provide areas of focus and strategic direction and to
5 work those recommendations within the Security Summit.
6 I don't think it is a coincidence that since we have
7 stood up the Security Summit, the ISAC, and began
8 receiving recommendations from the ETAAC that we have
9 been able to really do an amazing job, had significant
10 impact on combating identity theft.

11 You know, we are better positioned than where
12 we were four years ago. We have seen less come into
13 the tax ecosystem. And what makes it in the tax
14 ecosystem, we are better able to identify and prevent
15 individuals from becoming victims of identity theft.

16 I definitely want to thank the ETAAC members
17 also for taking a look at the Taxpayer Protection
18 Program, you know, because, as J. C. mentioned, we do
19 have legitimate taxpayers that are caught into that,
20 you know, process and need to authenticate. So
21 whatever we can do to improve the customer experience
22 for a legitimate taxpayer, we certainly want to do

1 that. So we will be looking at the suggestions that
2 you have provided us there.

3 So, again, I just want to take the
4 opportunity to thank all of you, again, for all of the
5 work that you have done as ETAAC members and look
6 forward to working with the Security Summit members to
7 implement these recommendations. So thank you.

8 MS. DAVIS: All right. So I would also like
9 to thank you for recognizing the value of the ISAC and
10 now our superpower.

11 (Applause.)

12 MS. DAVIS: We have known that the potential
13 is always there. And, of course, as we grow into
14 maturity. So I appreciate the recommendation and the
15 focus that you spent on the ISAC. I also want to thank
16 both ETAAC, the Security Summit, and folks that have
17 been very active with the ISAC and helping us get the
18 legislation that is needed to expand our disclosure
19 requirements. That is a feat. We have legislative
20 recommendations. Sometimes they take years and never
21 happen. This has gone from 0 to 60 in our timeframe
22 very, very quickly. So the trusted third party in

1 Mitre organization and our counsel, you know, are
2 already excited about taking on what does that mean in
3 terms of practice. So thank you very much for that.

4 I also want to recognize that all of the
5 different industry and state sectors are very valuable.
6 The input and the data and the contribution, both to
7 the ISAC and the Security Summit, are extremely
8 important. So we look forward to trying to figure out,
9 you know, how to bring all of that together because we
10 are still -- everybody is working through a myriad of
11 disclosure privacy requirements. So how do we make
12 best use of the data contribution across the multiple
13 different sectors. So thank you very much. We look
14 forward to working with ETAAC next year as well as
15 working on these recommendations. So thank you.

16 MR. KILLEN: Good morning. On my end, I will
17 be brief. I just want to echo the comments expressed
18 by everyone. You all are outstanding partners. And I
19 think, you know, ETAAC is really symbolic of the power
20 of collaboration, the power of true partnership. And I
21 think you play a vital role in helping to bring
22 intellectual thought to some very difficult issues that

1 we have.

2 So thank you for your time, for your
3 participation, for your engagement, for your
4 commitment. I know many of you personally, and you all
5 are just an outstanding collection of people. So thank
6 you for the service that you are providing to Tax
7 Administration and to our taxpayers because I think
8 this is a critically important partnership. The
9 recommendations are very thoughtful, as they always
10 are. So we appreciate that. And, again, you know,
11 from my perspective, I appreciate your ability to
12 tackle and your willingness to tackle tough issues.
13 You know, these are not simple issues.

14 You think about identity proofing. You think
15 about security. You think about trying to expand the
16 circle of collaborative partners. And, you know, it
17 would be easy to just sort of overlook the things that
18 are discrete, complicated issues and focus on sort of
19 the high-level, more simplistic ones. So I appreciate
20 your ability and your willingness to tackle these
21 issues and help us, you know, chart a path forward. So
22 thanks so much.

1 MR. LEMONS: All right. I am Terry Lemons,
2 over Communications and Liaison. It is a tough act to
3 follow our IRS team leads here as well as the members
4 of ETAAC group, some really great thoughts there.

5 My organization kind of has an interesting
6 role in all of this. We kind of have -- we have a role
7 in the Security Summit, helping out with communications
8 and outreach. And our group here basically works with
9 ETAAC. Our national public liaison organization, Mel,
10 John, Mike Deneroff, and our other staff play a
11 critical role on this. So it is a really kind of
12 interesting vantage point.

13 A couple of things I would just kind of like
14 to note. You know, the other speakers have noted the
15 Security Summit effort and the ETAAC really are an
16 amazing example of private-public partnership. And,
17 you know, there is a lot of stereotypes about
18 government and like what doesn't work. You hear about
19 that a lot, but when something does work, it is
20 amazing. And I think the ETAAC and the summit has been
21 a great reflection of that. It makes a real -- you
22 know, now I have got a musical background if you know

1 what the tunes are.

2 (Laughter.)

3 MR. LEMONS: But it has really been amazing
4 to watch this unfold. And one of the things
5 particularly -- and we feel like, you know, this is
6 kind of a -- you know, we are passing a milestone here
7 with some of the members going off the ETAAC group.
8 When we repurposed the ETAAC to go beyond that
9 originally focus on e-file, we were a little nervous.
10 It is like, you know, is there enough there? You know,
11 will the ETAAC be able to actually, you know, work in
12 tandem with the Security Summit? And, again this year,
13 looking through these recommendations, I think the
14 answer is a resounding yes.

15 And I will say a lot of times, you know,
16 these government reports, advisory committees will do
17 reports and they go up on a shelf and they collect
18 dust. The ETAAC report is not one of those. My team
19 goes back and refers to it frequently. It is helping
20 drive our operations on the communications team.

21 Again this summer, we will have a series of
22 news releases focused on educating tax professionals,

1 which, you know, pulls off a previous ETAAC
2 recommendation. We will be using that as a springboard
3 for the nationwide tax forums that are coming up,
4 starting here in a few weeks here at National Harbor.

5 So and even this year's report, just glancing
6 through it, the concise summary that you all did on the
7 payroll entity, it is going to be recommended reading
8 for my outreach guys because it is it is a really nice,
9 tight, concise example of some of the, you know,
10 challenges of getting out to the payroll and the
11 employer communities, so a really nice concise thing.
12 So we are going to put that to work very quickly there.

13 You know, the other thing I will just note is
14 that, you know, we just really appreciate everybody's
15 work on it. We do feel like a little bit as we look at
16 the parting members, it is kind of a milestone. This
17 group of people really had a huge effect, not just on
18 ETAAC but the Security Summit. And we look forward to
19 them kind of continuing: John Ams; Shannon Bond; John
20 Breyault -- I always mess that last name up -- Angela
21 Camp; J. C. Craig; Courtney Kay-Decker, of course; as
22 well as Doreen Warren, who has kind of been I think

1 kind of the glue, it seems like. Whenever there is
2 something interesting going on, Doreen always seems to
3 be at the middle of it.

4 (Laughter.)

5 CHAIR WARREN: That is not necessarily good.

6 MR. LEMONS: So, really, on behalf of our
7 team leads and the commissioner, who was unable to be
8 here today, as well as Deputy Commissioner Wielobob, we
9 just really want to thank you all for, you know, all
10 the thought, time, dedication, and everything else. It
11 really is making a difference.

12 CHAIR WARREN: Okay. Well, thank you for
13 those comments and summary of where we are and where
14 you intend to go. We appreciate that. And over the
15 last three years with ETAAC, we recognize truly how
16 seriously you guys take the report. And we appreciate
17 that, that partnership, as well.

18 So, as we close this phase of the meeting, I
19 get to share a few thoughts. And I have mine written
20 so I don't mess anything up.

21 So, as you have heard, I have been with the
22 Security Summit from the very beginning. Actually,

1 before it officially began, I was part of the fight
2 against tax refund fraud. So I have been able to
3 witness from the very beginning and see firsthand the
4 steady increase of collaboration, trust, and respect as
5 a government and private industry. And it wasn't
6 always fun or easy, but we have made significant
7 progress.

8 So this collaboration was needed to build
9 that solid foundation that is currently in place with
10 the goal to protect taxpayers and the integrity of the
11 tax filing system, or tax ecosystem like we fondly call
12 it. And this effort will continue to bear fruit as
13 long as all of the stakeholders find value and continue
14 building on that collaboration and also to stay focused
15 on that common objective.

16 As the current ETAAC chair, I am very proud
17 of the ETAAC members that you see before you isolated
18 in their corner --

19 (Laughter.)

20 CHAIR WARREN: -- and especially those who
21 have rolled off. We have mentioned their names several
22 times. Just I really appreciate the team, the

1 professionalism, and the commitment to do the right
2 thing.

3 But as I turn over the role to Phil Poirier,
4 I know that next year, the continuation of
5 professionalism and commitment will continue on. So as
6 I fade off into the sunset --

7 (Laughter.)

8 CHAIR WARREN: -- I leave knowing that it is
9 in capable and very good hands.

10 So that really concludes this portion of the
11 meeting. I think there are some media people here. If
12 you have any questions, I am free to answer those. And
13 I just thank you for your time this morning, and Phil
14 will see you next year.

15 (Applause.)

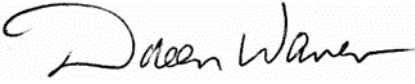
16 CHAIR WARREN

17 MR. HARDY: That concludes our meeting today.
18 Thank you for coming. And please put your hands
19 together and congratulate the new chair, Phil Poirier.

20 (Applause.)

21 (Whereupon, at 10:34 a.m., the meeting was
22 adjourned.)

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2 Approved:  Date: 8/19/2019

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Doreen Warren, ETAAC Chair

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