



2015

IRSNationwide

TaxFORUM

Helping the Identity Theft Victim



Seminar Objectives

- Increase awareness of how to help IDT victims
- Improve understanding of Taxpayer Protection Program, Identity Protection Specialized Unit and Identity Protection PIN program
- Identify warning signs of identity theft
- Explain changes to IRS victim assistance

2015

IRSNationwide

TaxFORUM



2015

IRSNationwide

TaxFORUM

Tax-Related Identity Theft

- Unauthorized use of SSN to file a fraudulent return for a refund
- SSN key to tax-related identity theft
- Not lost/stolen credit cards, wallets or health records, unless containing SSNs
- SSN vulnerable to phishing emails, IRS impersonations and data breaches



2015

IRSNationwide

TaxFORUM

Taxpayer Protection Program

- Filters and modeling identify suspicious returns
- Suspicious returns pulled for Taxpayer Protection Program verification and treatment stream
- Correspondence sent to address on the return asking for identity verification



2015

IRSNationwide

TaxFORUM

Taxpayer Protection Program

- Letter 4883C: taxpayer must call TPP toll-free number to verify identity
- Letter 5071C: taxpayer should use idverify.irs.gov to verify identity
- Letter 5447C: taxpayer may either call international TPP line or mail verification



2015

IRSNationwide

TaxFORUM

Identity Theft Warning Signs

- Receive letter/notice from IRS, such as identity verification request
- E-file return rejected because SSN already in use
 - Ensure a number not transposed or other error
 - Ensure dependent not claimed on 2 returns
- Receive notice about an employer unknown to you



Steps for IDT Victims

- Federal Trade Commission recommends:
 - File a police report
 - File a complaint with FTC
 - Contact one of credit bureaus to place “fraud alert”
 - Close any financial accounts opened without your authorization

2015

IRSNationwide

TaxFORUM



2015

IRSNationwide

TAX FORUM

Steps for IDT Victims

- For tax-related victims, IRS requires:
 - Complete IRS Form 14039, Identity Theft Affidavit
 - Respond immediately to any IRS letters or notices
 - Continue to file and pay taxes, even if by paper
- Preparers will need power of attorney (Form 2848) and Centralized Authorization File (CAF) number to complete the form on client's behalf



2015

IRSNationwide

TaxFORUM

Completing a Form 14039

- Submit only for taxpayers who have suffered a loss of personally identifiable information, such as an SSN
- Check the appropriate box, i.e. Box 1 if the loss of PII is affecting tax administration
- Identity verification required
- Follow submission instructions



Identity Protection Specialized Unit



2015

IRSNationwide

TaxFORUM

IPSU goals are to:

- Identify instances of IDT
- Correct accounts quickly
- Protect accounts from future IDT
- Communicate with IDT victim



Identity Protection PIN

- Six-digit number provides additional layer of protection for:
 - Self-reported identity theft victims
 - Victims IRS identifies
 - Residents of Florida, Georgia or District of Columbia
- Authenticates taxpayer; IP PIN on return and IRS Master File must match
- Results of IP PIN pilot under review



2015

IRSNationwide

TaxFORUM



Identity Protection PIN

- New number issued before each filing season via CP01A notice
- Currently, no opt-out provision
- Lost IP PINs may be retrieved online
- Replacement IP PINs may be obtained from IPSU, but subject return to scrutiny



2015

IRSNationwide

TaxFORUM



Future of Victim Assistance

- Methods of protecting taxpayer accounts under on-going review and evaluation
- Movement toward online products, such as an online Form 14039 or Get an IP PIN
- Results of location-specific pilot program being assessed
- Centralization of inventory work underway



2015

IRSNationwide

TaxFORUM



Victim Assistance Centralization



2015

IRSNationwide

TaxFORUM

- All IDT/Return Preparer Misconduct work moving to Accounts Management
- Realigning 1,700 employees to a new organization: Identity Theft Victim Assistance
- Goal: better, more consistent customer service



Additional Resources



2015

IRSNationwide

TaxFORUM

- www.irs.gov/identitytheft
- Pub 5027, Identity Theft Information for Taxpayers
- Pub 5911, Taxpayer Guide to Identity Theft
- www.irs.gov, Search Keyword:
 - IP PIN
 - 5071C Letter