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Preventing and Detecting Identity Theft: Partnering with the IRS to Meet the Challenge



Seminar Objectives



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- Increase awareness and understanding of the IRS strategic approach to IDT
- Review 2016 enhancements to combat IDT
- Encourage opportunities to partner with IRS to protect taxpayers and your business
- Ensure understanding of requirements to protect taxpayer data and protect yourself



IRS Strategic Approach

- Prevention
- Detection
- Victim Assistance
- Enforcement



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IRS Strategic Approach: Prevention and Detection

- All returns pass through hundreds of filters
- Accelerated return matching information
- Imposed limits on number of direct deposit refunds issued to a single financial account
- Locked deceased taxpayer accounts

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IRS Strategic Approach: Prevention and Detection

- Approved use of information received from local police
- Improved protection for SSN
- Improved procedures to stop prisoner refund fraud
- Partnered with financial institutions and debit card industry

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IRS Strategic Approach: Prevention and Detection



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- To prevent IDT from reoccurring, we
 - Place indicators on taxpayers' accounts
 - Issue Identity Protection PINs
- Continue testing IP PIN program in Florida, Georgia and District of Columbia



IRS Strategic Approach: Prevention and Detection

- Aggressive efforts yielding results
 - 2.27 million confirmed IDT returns stopped
 - \$15.8 billion protected plus \$545.6 million refund returned through partnership with financial institutions
 - 1,063 new criminal investigations; 748 sentenced
- data is calendar year 2014--

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IRS Summit on IDT

- Recognition that IDT is always evolving
- Pledge to fight a common enemy
- Three working groups looking at:
 - additional steps – especially on technology front
 - Short- and long-term actions

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IDT: New for 2016

- Improved filters and modeling
- New rules for ITIN users
- Direct Deposit limits remain in place
- Mandatory Device ID sharing

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IDT: New for 2016

- Centralization of IDT victim assistance work within Accounts Management
- Reviewing next steps for Identity Protection PINs
- Comprehensive review of EFIN process to help you protect your number

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Partnering with the IRS

- Know your clients; verify their identities
- Don't use your EFIN to file other preparers' returns
- Check EFIN numbers weekly
- Notify the IRS if EFIN numbers are too high



Protecting Taxpayers and Your Business

- Protect taxpayer data and your business from becoming data breach victims
- Review your security arrangements
- Review Publication 4557, Safeguarding Taxpayer Data

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Protecting Taxpayers and Your Business

- Securing taxpayer data is the law
- Make a security plan using best practices
- Data breach? Have a plan
- Contact local IRS stakeholder liaison to notify IRS of data breach



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Protecting Taxpayers and Your Business

- Partner with IRS to share the warnings
- Avoid email/phone scams aimed at you or taxpayers
- Recognize an “account takeover” attempt
- Urge clients to protect IP PINs, E-File PINs

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Additional Information on IDT

- www.irs.gov/identitytheft
- Pub 4557, Safeguarding Taxpayer Data
- Pub 5027, Identity Theft Information for Taxpayers
- Pub 5199, Tax Preparer Guide to Identity Theft

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