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Identity Theft: Victim Assistance Update





Seminar Objectives

- Share information to help you help clients
- Identify warning signs
- Detail victim assistance process
- Discuss improvements to victim assistance

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Scope of Identity Theft

- Victim every 2 seconds – mostly related to credit cards
- Number one complaint to FTC
- Becoming victim as easy as:
 - Oversharing SSN
 - Clicking a link or attachment from a suspicious email
 - Falling for a scam





Warning Signs of Tax-Related IDT

- More than one return filed with the SSN – e-filed return rejects or receive IRS letter
- Receive IRS letter about additional tax, a refund offset or collection actions
- Receive IRS notice about wages from an employer unknown to you





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Taxpayer Protection Program: We Tell You

- Suspicious return identified by filters
- Letter sent to taxpayer
- Taxpayer uses [IDVerify.IRS.gov](https://www.irs.gov/identity); confirms whether return is theirs or fraudulent
- Fraudulent return removed from taxpayer's account



Identity Theft Victim Assistance Process You Tell Us

- E-File return rejects because of duplicate SSN
 - No issue with duplicate dependent claims
 - No issue with transposed SSN
- File by paper and pay taxes due
- Complete Form 14039, Identity Theft Affidavit

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Identity Theft Victim Assistance Process You Tell Us

- Scope of fraud assessed, number of tax years affected
- Determine if there are additional victims
- Fraudulent return removed from taxpayer's account
- 700,000 IRS cases closed in CY 2015

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Form 14039, Identity Theft Affidavit

- Preparers need POA and CAF to file
- Follow instructions, provide identity documentation, sign the form
- File only once; not annually
- Data breach victims: file only if e-file return rejects or instructed to do so by IRS





Identity Protection PIN

- Generally assigned to tax-related identity theft victims
- IP PIN mailed annually to taxpayer in CP01-A
- 6-digit number adds additional layer of protection for SSN
- 2.7 million IP PINs issued for 2016 filing season





IRS.Gov Self-Help Tools

- Get Transcript Online and Get an IP PIN tools returning with stronger e-authentication;
- Get an e-File PIN will change; taxpayers can use Get Transcript
- More rigorous Secure Access process better protects taxpayers





New Secure Access e-Authentication

Users will need:

- Readily available email address
- SSN or ITIN
- Filing status and address from return
- Financial verification, such as credit card number
- Text enabled mobile phone





Taxes. Security. Together. Campaign

- Always use security software, strong passwords
- Avoid phishing emails, calls or texts
- Avoid links/attachments from unknown senders



Business Identity Theft

Warning signs:

- Receives IRS notices about fictitious employees.
- Receives IRS notices regarding a defunct, closed or dormant business
- Business return accepted as an amended return





Additional Resources

- [IRS.gov/identitytheft](https://www.irs.gov/identitytheft)
 - Publication 5199, Tax Preparer Guide to Identity Theft
 - Publication 4524, Security Awareness for Taxpayers
 - Publication 5027, Identity Theft Information for Taxpayers

