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TaxForum

| 2017

IRS and Security Summit Updates:
Making Progress Against Identity Theft

Seminar Objectives

- Review Summit initiatives
- Review victim assistance procedures
- Outline how you can help
- Preview 2018 safeguards



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Signs of Identity Theft

E-Filed return rejects because of duplicate SSN

Clients receive verification letters (4883C, 5747C)

Clients receiving unexpected notices, paper refund checks or tax transcripts in the mail



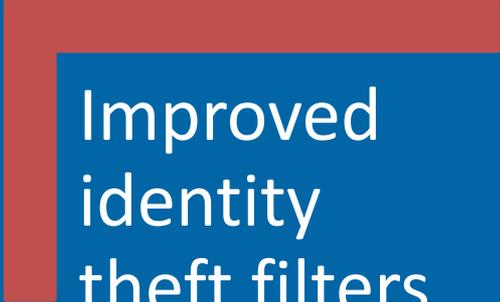
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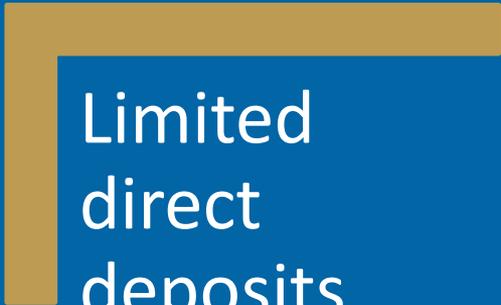
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Pre-Summit Actions



Improved
identity
theft filters

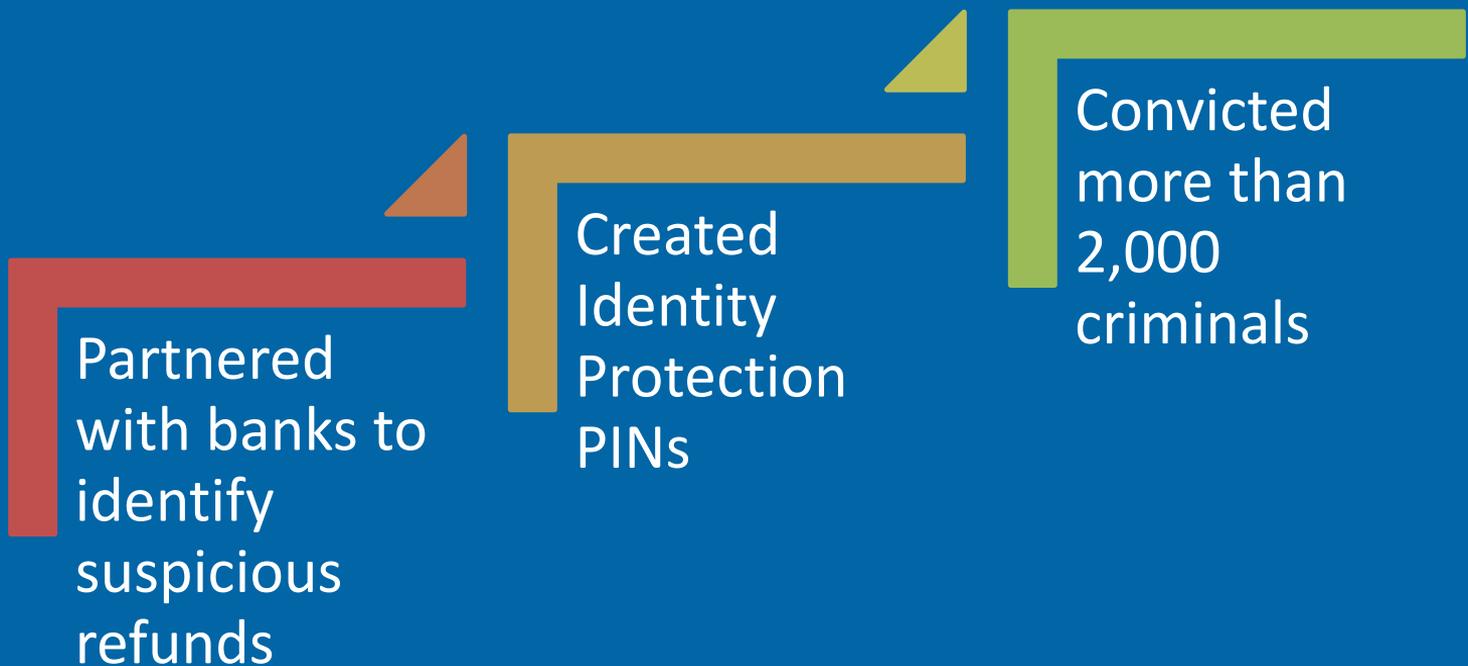


Limited
direct
deposits



Locked
accounts of
deceased
taxpayers

Pre-Summit Actions...cont.



Partnered
with banks to
identify
suspicious
refunds

Created
Identity
Protection
PINs

Convicted
more than
2,000
criminals



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Summit Initiatives - 2016

Shared data
elements from
return

Required
stronger
passwords

Created an
information
sharing and
analysis center
(ISAC)



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Summit Initiatives - 2016

Aligned under stronger cybersecurity framework

Created additional work groups

Launched Secure Access authentication



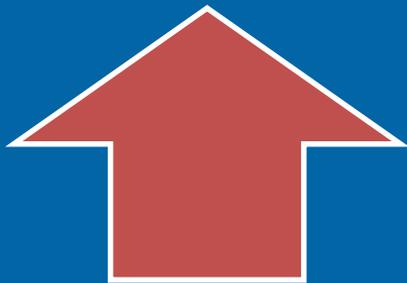
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Summit Initiative Results - 2016



More fraudulent returns stopped at the door...means...



30% drop in confirmed IDT Returns
50% drop in suspect refunds
46% drop in taxpayers reporting themselves as victims



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Summit Initiative - 2017

Identified more return data elements

Shared data elements from business returns

Worked state/bank partnerships to identify suspect refunds



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Summit Initiative – 2017 con't

Worked on “ultimate bank account”

Expanded W-2 verification code initiative

Enacted stronger tax software password requirements



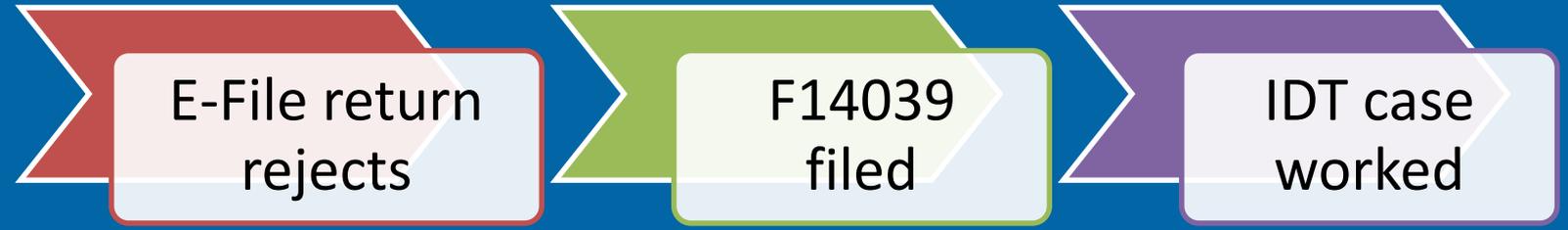
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Victim Assistance – You Tell Us





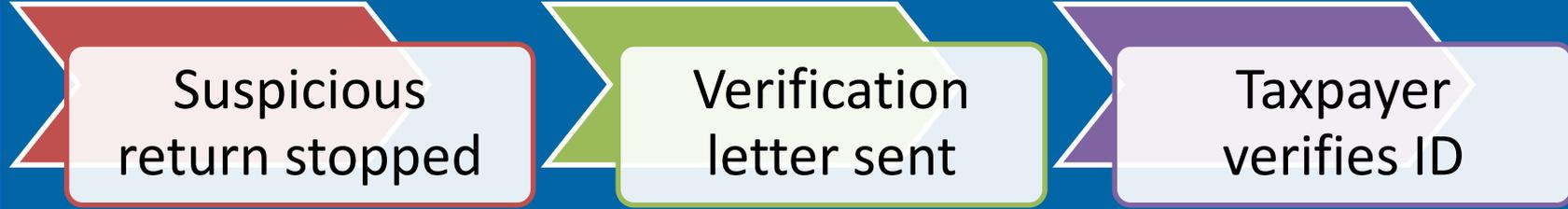
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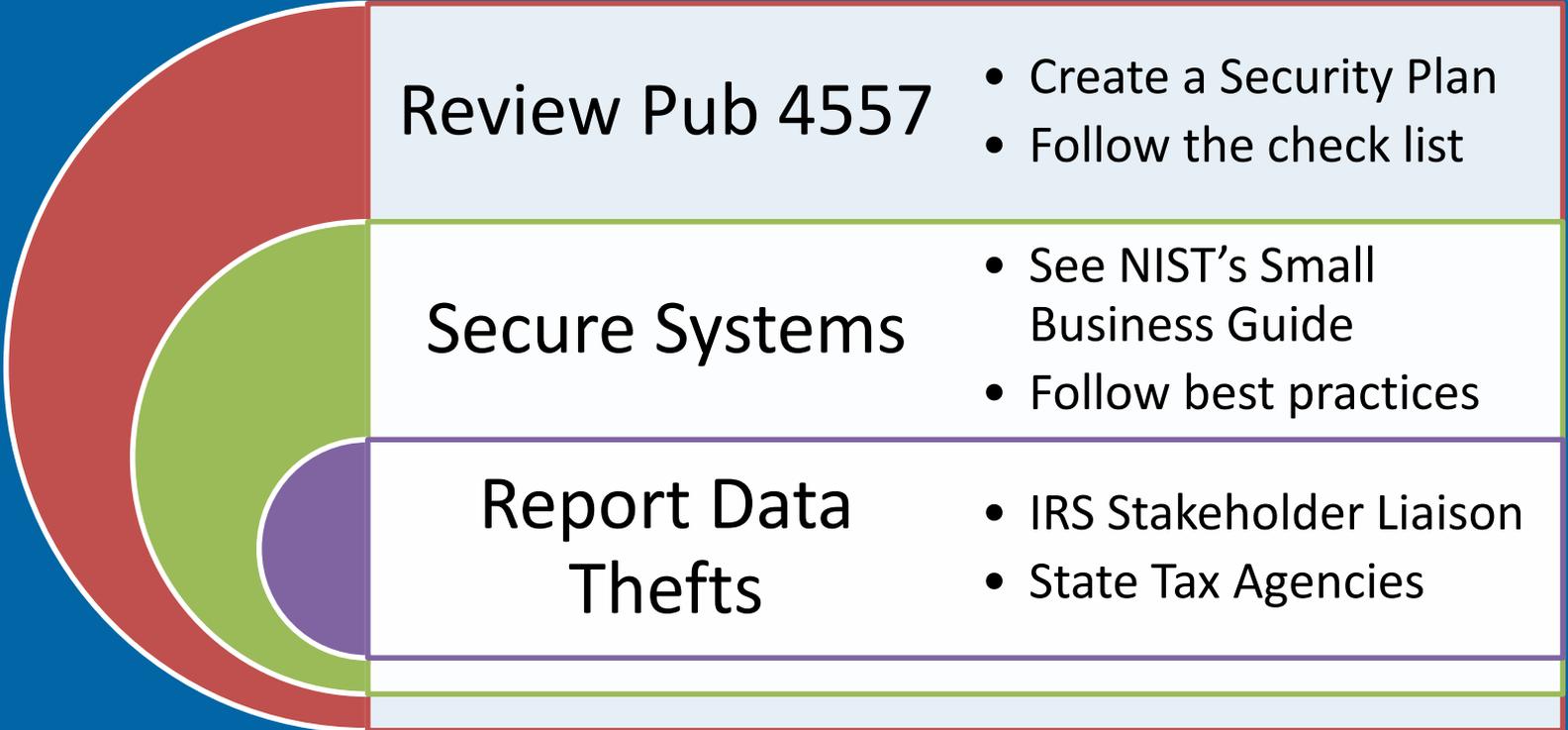
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Victim Assistance – We Tell You





How You Can Help





How You Can Help

Guard EFIN, e-Services	<ul style="list-style-type: none">• Maintain• Monitor• Protect
Educate clients	<ul style="list-style-type: none">• Urge IDT protections• Share Pub 4524
Warn about W-2 Scam	<ul style="list-style-type: none">• Educate <u>all</u> employers• Employer/victims should alert IRS



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How You Can Help Online Support

- Employers and payroll professionals W2 scam check out irs.gov/identitytheft in the “business” section
- Employers receive a W2 scam email, forward to phishing@irs.gov and put “W2 scam” in the subject line
- Employer W2 crime victims, email dataloss@irs.gov with a point of contact
- Alert States of W-2 theft, email Federation of Tax Administrators at StateAlert@taxadmin.org

New for 2018 Filing Season

Focus on improving “trusted customer” and reducing false positives

- Additional return data elements shared
- Expanding W-2 Verification code initiative

Focus on 1120, 1120S, 1041 and Schedule K1

- New verification items



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New for 2018 Filing Season

New 1120 verification data points:

- Name and SSN of executive authorized the sign the return
- Payment history
- Parent company information
- Additional information about deductions
- Filing history



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Summit IDT Resources

- **www.IRS.gov/protectyourclients**
 - Don't Take the Bait campaign
- **www.IRS.gov/identitytheft**
 - Victim Assistance: How it works
 - Data Loss Info for Tax Pros
 - W-2 Data Theft Info for Employers
- **IRS.gov**
 - IRS Publication 4557, Safeguarding Taxpayer Data
 - IRS Publication 4524, Security Information for Taxpayers