



IRS Nationwide TaxForum | 2019

Identity Theft Victim Assistance:
How It Works for You and Your Client



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Seminar Objectives

- Identify the minimal security steps you should take.
- Identify signs that indicate you may have suffered a data theft.
- Review how and who you should report a data theft to.
- Learn how the IRS Victims Assistance Program works.
- Identify the letters used by the IRS Taxpayer Protection Program (TPP).



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Tax Pro Data Theft Trends Continue

Scams Targeting Tax Professionals and Taxpayers

- IR-2019-44- IRS warns of new phone scam using Taxpayer Advocate Service numbers
- IR-2018-226- IRS warns of “Tax Transcript” email scam; dangers to business networks
- IR-2018-188- IRS warns of scams related to natural disasters
- IR-2018-103- IRS, Security Summit Partners warn of new twist on phone scam; crooks direct taxpayers to IRS.gov to “verify” calls
- IR-2018-253- IRS Security Summit Partners warn tax professionals of fake payroll direct deposit and wire transfer emails



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Minimal Security Steps

- Recognize and avoid phishing emails.
- Create data security plan using Publication 4557, Safeguarding Taxpayer Data, and Small Business Information Security – The Fundamentals.
- Review internal controls:
 - Install security software.
 - Create strong passwords, 8 characters or more.
 - Encrypt sensitive files.



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Minimal Security Steps (continued)

- Back up sensitive data.
- Wipe clean or destroy old hard drives.
- Limit access to taxpayer data.
- Check IRS e-Services weekly for EFIN counts.
- Report Data Thefts immediately to the IRS Data Loss Mailbox and IRS Stakeholder Liaisons.
- Stay connected to the IRS: Subscribe to e-News for Tax Professionals, QuickAlerts and social media.



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Signs of Data Theft in Your Office

- Client e-filed returns begin to reject;
- Clients who haven't filed tax returns begin to receive authentication letters (5071C, 4883C, 5747C) from the IRS;
- Clients receive refunds that have not filed tax returns;
- Clients receive tax transcripts that they did not request;
- Clients who created an IRS online services account receive an IRS notice that their account was accessed or disabled.



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Signs of Data Theft in Your Office

- The number of returns filed with tax practitioner's Electronic Filing Identification Number (EFIN) exceeds number of clients;
- Tax professionals or clients responding to emails that practitioner did not send;
- Network computers running slower than normal;
- Computer cursors moving or changing numbers without touching the keyboard;
- Network computers locking out tax practitioners.



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How Tax Pros Report Data Theft

- Contact IRS and law enforcement.
 - IRS Data Loss Mailbox and stakeholder liaisons are your points of contact.
 - Search “data loss” or “stakeholder liaison” on IRS.gov.
- Contact state tax agencies/attorneys general.
 - Email Federation of Tax Administrators for state agency contacts at StateAlert@taxadmin.org.
- Contact Experts.
 - Security expert and/or insurance company.
- Review “Data Theft Information for Tax Professionals” at [IRS.gov/identitytheft](https://www.irs.gov/identitytheft)



Taxpayer Victim Assistance: How It Works – You Tell Us

1

- Client's return rejected by e-File

2

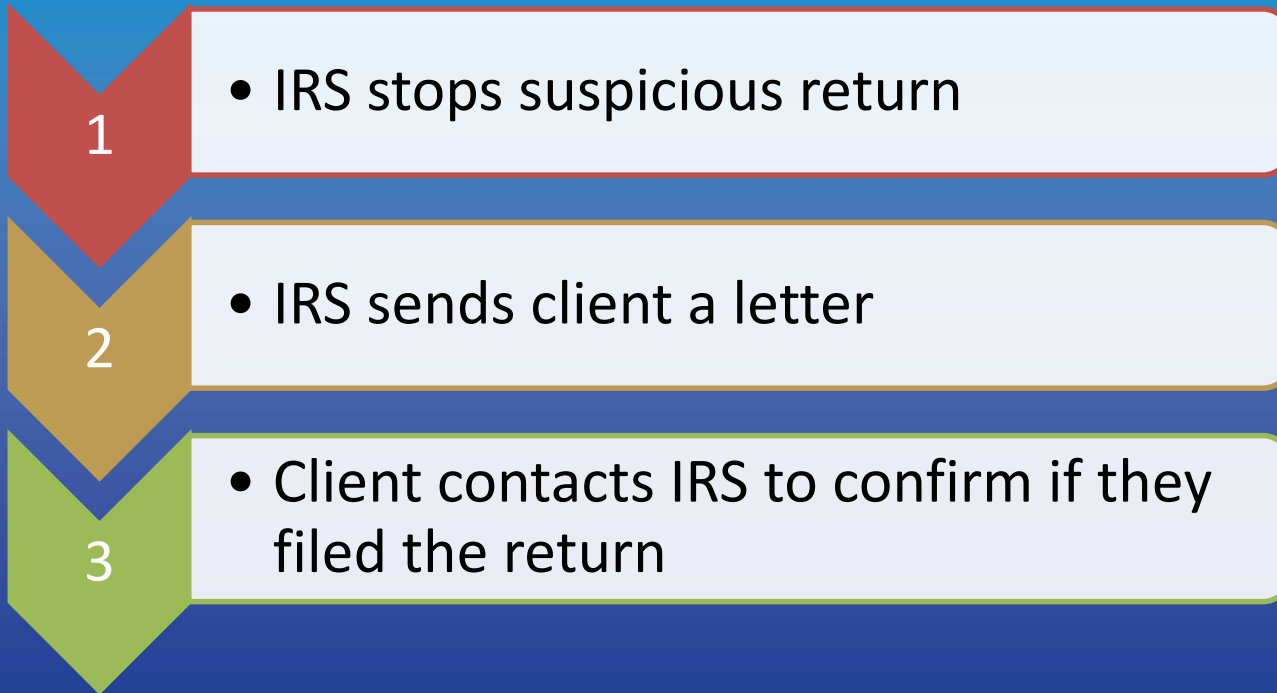
- Duplicate SSN on file; no errors on return

3

- File Form 14039, Identity Theft Affidavit, with paper return



Taxpayer Victim Assistance: How It Works – We Tell You





Taxpayer Protection Program (TPP) Letters

Letter type	Client Action	File 14039 (yes or no)
4883C	Call the IRS	NO
5071C	Use the online tool or call	NO
5747C	Visit an IRS office	NO
5447C	Call only	NO
No letter	E-File Rejects Return for duplicate SSN	YES



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Identity Protection PIN

- Six-digit number issued to IDT victim (Letter CP01A).
- New IP PIN number assigned each year.
- Cannot opt out of IP PIN program.
- Return rejects without the IP PIN.
- Assigned to either or both primary and secondary taxpayer.



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Business Identity Theft Letters

Letter type	Client Action
6042C	Complete and return the questionnaire within 30 days
6217C	If requested provide the additional information requested within 30 days.
5263C	Complete and return the questionnaire within 30 days



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Other Letters That Could be Issued

Letter type	Client Action
CP 05	No action needed
CP 05A	Follow the guidance in the letter and response within 30 days
4464C	No action needed
2645C	No action needed
4800C/ 3219C	Follow the guidance in the letter and response within 30 days
CP 75	Follow the guidance in the letter and response within 30 days
CP 53	No action needed



Multi-Factor Authentication and Tax Pros

- Two-factor authentication: Secure Access for IRS e-Services, Get Transcript, Get an IP PIN and others.
- Tax software products moving to multi-factor authentication – two and even three factor.
- Use the highest multi-factor option available to protect your clients' data and your business.



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Resources to Assist Tax Pros with Data Security

- Publication 4557, Safeguarding Taxpayer Data.
- Publication 5293, Data Security Resource Guide for Tax Professionals.
- www.IRS.gov/ProtectYourClients
- www.IRS.gov/IdentityTheft
 - Individuals
 - Tax Pros
 - Businesses