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Bill Cobb: H&R Block Applauds Industry Working Group

Statement from Bill Cobb, H&R Block president & CEO, on IRS/Industry Summit on ID Theft Refund Fraud

October 20, 2015 – Eliminating fraud from the tax preparation industry cannot be accomplished in a few months – this is a multi-year effort. But, under the leadership of IRS Commissioner John Koskinen, we have proven a public-private partnership can work and progress can be made. I applaud Commissioner Koskinen for his leadership of the multiple IRS working groups, which have produced actionable plans that will make a difference. But this is not enough. There is much more to do.

Our stated goal was to achieve real change in time for tax season 2016. Real change requires some hard choices and must lead to standards that address the fundamental issues of fraud detection and prevention. I'm proud of the fact H&R Block has led the industry with implementing security features to combat fraud.

The IRS and the states are severely limited in what they can do on their own – due to budget constraints and the need to administer the tax code. The IRS, state departments of revenue, tax preparation industry and individual taxpayers will have to work together, take some extra steps, and build on the foundation that we've started to continue to advance the fight on fraud.

We've accomplished a lot this summer and have worked hard to build trust, accountability and sound plans across all constituencies. Now is the time to solidify and implement those plans for the upcoming season. Again, it all won't be accomplished in one season, which is why we have begun planning for what we'll do in the future. The proof of real progress will be when the entirety of the industry is equally pursuing fraud prevention and seeing results.

Today the IRS and industry partners announce we are closer to uniform, industry-wide standards that effectively address:

- Authentication and security safeguards;
- Information sharing between the IRS, state departments of revenue and industry; and
- Consistent regulatory and compliance structure.

We can't stop there. We are three months away from the opening of tax season 2016. While we know that these steps will make a significant improvement, we also are not so naïve as to think that it will entirely eliminate tax identity/tax refund fraud. This is a multi-year journey of continuous change and improvement. We must establish clear milestones and hold ourselves as a working group accountable to real progress.

Now is the time to act. Consumers tell us they are willing to do more, such as answer additional security questions or wait longer for refunds in order to combat fraud. The industry has heard that call and is working together to do more. Status quo is not an option. At risk is billions of dollars lost to fraudsters and further erosion of taxpayer confidence in our tax system.

I am pleased to see the industry, led by the IRS commissioner, come together and form this working group and make progress in a short time. I look forward to building on this unprecedented public-private partnership to combat this issue.