

2022 – 2027 Strategic Plan Identity Theft Tax Refund Fraud Information and Sharing Analysis Center

We are committed to our efforts to detect and deter identity theft tax refund fraud. To do this, we will share the key data elements needed within our partnership to enable each partner to identify threats, trends, and fraud patterns. We recognize speed and trust go hand-in-hand in the IDTTRF-ISAC and we are committed to both.

Message from ISAC Partnership Senior Executive Board Co-Chairs

The Identity Theft Tax Refund Fraud Information Sharing and Analysis Center (IDTTRF-ISAC) began as a pilot with representatives from IRS, State Departments of Revenue, and the Tax Industry in January 2017. Over the past five tax seasons, the ISAC has experienced tremendous growth, allowing it to exit pilot mode and become part of the operational framework of the tax ecosystem’s fraud prevention efforts. This Strategic Plan sets the guideposts for the work of the IDTTRF-ISAC going forward.

Each of the three IDTTRF-ISAC sectors – IRS, States, and industry – recognize that a key component of ensuring taxpayer confidence in the voluntary tax compliance system is the confidentiality afforded to taxpayers regarding the safeguarding of their data. The IDTTRF- ISAC partners view the protection and appropriate use of taxpayer information as paramount to the work being done in the IDTTRF-ISAC.

Our strategic objectives are interrelated with our key strategies to build identifiable value for the IDTTRF-ISAC partners with our primary focus being on protecting taxpayer’s identity and rightful refunds. This means that our activities encompass both strategic leadership and leadership of the ISAC operational platform, and generally support more than one objective. Therefore, we have designed our objectives in a manner that will progress toward achievement of multiple strategies creating value.

ISAC VISION


Our vision, as a Public-Private partnership, is a tax ecosystem where taxpayers can confidently file their taxes safely and securely.

We recognize that we can’t rest, we must continue our full-team efforts to address identity theft tax refund fraud in support of the ISAC Vision. To keep up with the evolving bad actor, the Partnership’s members must be engaged in nimbly and efficiently detecting new or changing threats and schemes, and rapidly sharing that intelligence within the Partnership.

The participation by partners in the IDTTRF-ISAC has continued to improve the IRS’s and States’ ability to detect, identify and prevent identity theft tax refund fraud. However, as we evolve, so do the bad actors. They submit fraudulent returns for thousands of taxpayers at a time and tweak their schemes frequently throughout the year to work around the defenses we have developed. Their skills are so advanced that the difference between a fraudulent return and a real return is difficult to detect. Furthermore, bad actors use technology and automation to attack our taxpayers from anywhere, through phone scams, phishing schemes, preparer takeovers and other means.

ISAC MISSION

The mission of the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center is to provide a secure platform via a sustainable Public-Private partnership, to facilitate information sharing consistent with applicable law, and analytics necessary to detect, prevent and deter activities related to stolen identity refund fraud.



Bad actors are looking for opportunities of convenience and are agnostic to whether these opportunities exist at the federal, state, or private sector level. As an information sharing community, all IDTTRF-ISAC partners leverage the strengths of its peers to create a stronger defense and proactively address emerging threats. The diversity of our partnership is integral to how the IDTTRF-ISAC operates and protects taxpayers.

The ecosystem has been hard at work, thwarting identity theft tax refund fraud since the inception of the Security Summit. The significant successes that have already been achieved in a very short time through the Security Summit and the IDTTRF-ISAC could result in a view that the problem has been solved. It is important to recognize that identity theft tax refund fraud will continue to exist and evolve as long as financial crimes continue to exist in the world.

Preventing Identity Theft Tax Refund Fraud requires all stakeholders within the tax ecosystem to understand the risks to the ecosystem, and to play an active role in its defense.

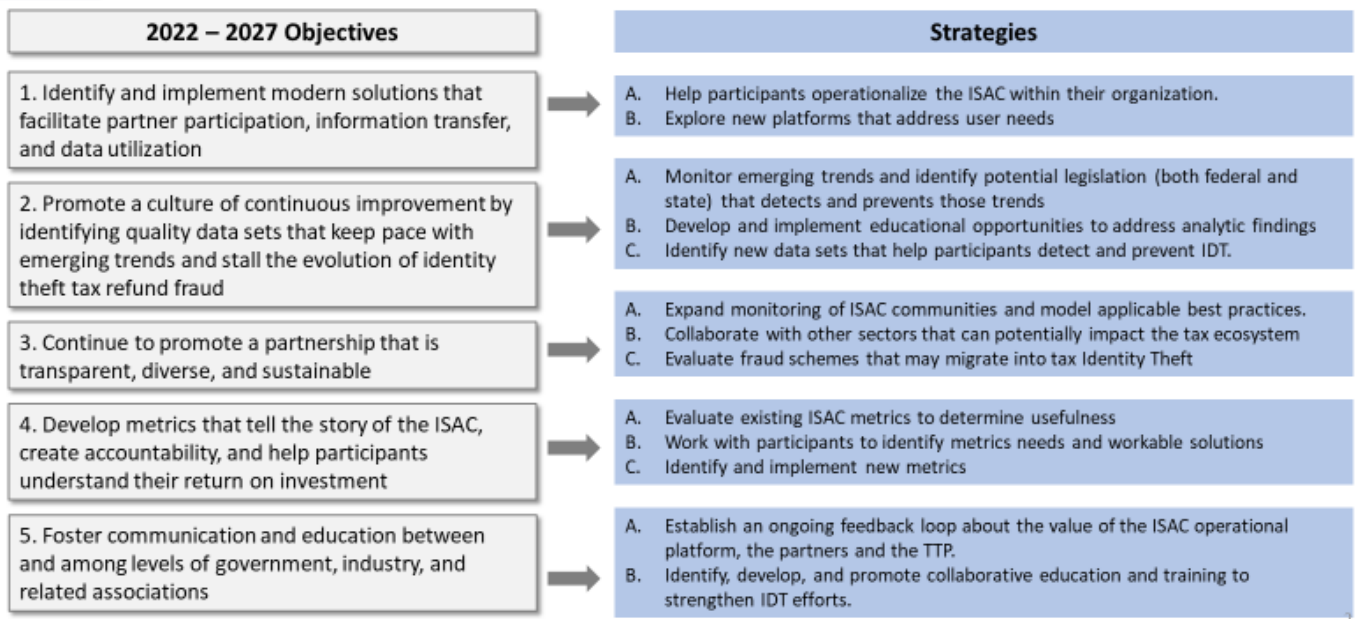
Michael Beebe
IRS (Wage & Investment)

Sharonne Bonardi
States (Maryland)

Kathy Pickering
Industry (H&R Block)

2022-2027 ISAC Strategic Plan

As shown below, our five objectives will be accomplished through key strategies. The resulting activities will serve as the basis for measuring success.



Objectives and Strategies

1. *Identify and implement modern solutions that facilitate partner participation, information transfer, and data utilization.*

- A. Help participants operationalize the ISAC within their organization
- B. Explore new platforms that address user needs

"I really enjoy the training sessions. I wish they were longer because I feel like there is so much more we can all share and learn."

IRS Partner

Partner trust has grown since the inception of the ISAC. Through this objective, partners will work to identify new and more efficient methods of identifying 'sharable' data to support each partner's effort to address identity theft tax refund fraud.

2. *Promote a culture of continuous improvement by identifying quality data sets that keep pace with emerging trends and stall the evolution of identity theft tax refund fraud.*

- A. Monitor emerging trends and identify potential legislation (both federal and state) that detects and prevents those trends
- B. Develop and implement educational opportunities to address analytic findings
- C. Identify new data sets that help participants detect and prevent IDT

The fraud prevention teams of each of the three sectors of the ISAC – IRS, States and industry – are committed to the cause of protecting taxpayers from identity theft tax refund fraud. Fostering collaborative working relationships among the ISAC and other stakeholders is the essential element to success in preventing identity theft tax refund fraud. We will engage with our partners and other stakeholders to continuously improve tax administration through enhanced innovation and development of leading practices.

3. Continue to promote a partnership that is transparent, diverse, and sustainable.

- A. Expand monitoring of ISAC communities and model applicable best practices
- B. Collaborate with other sectors that can potentially impact the tax ecosystem
- C. Evaluate fraud schemes that may migrate into tax Identity Theft

Through the ISAC we now have contacts in Industry that we previously did not have – and we do call them when we see issues or have questions.

State Partner

Collectively, we will develop a culture within the tax ecosystem that values innovation, welcomes multiple perspectives, and celebrates all aspects of diversity – leadership, ideas, members, users, data. We will collaboratively develop the talent within the ecosystem to ensure that our teams can fully understand, analyze, and act within the continually evolving tax fraud threat intelligence environment.

4. Develop metrics that tell the story of the ISAC, create accountability, and help participants understand their return on investment.

- A. Evaluate existing ISAC metrics to determine usefulness
- B. Work with participants to identify metrics needs and workable solutions
- C. Identify and implement new metrics

You can't measure what you are preventing! But we know we are preventing identity theft compared to what was happening in 2013 and 2014.

Industry Partner

We will make data-driven decisions and will continually evolve our processes and tools to make the most effective use of our resources for the benefit of taxpayers. We will continue to improve detection of any false positives in our data to protect good taxpayers. We will provide information and act as a resource to state and federal lawmakers as needed to better protect taxpayers from identity theft tax refund fraud.

5. Foster communication and education between and among levels of government, industry, and related associations.

- A. Establish an ongoing feedback loop about the value of the ISAC operational platform, the partners and the TTP
- B. Identify, develop, and promote collaborative education and training to strengthen IDT efforts

We want to be at the table being part of the solution.

Industry Partner