

IRS & Partners Combat Tax-Related Identity Theft What's New for 2016



Evelyn Dyson Lee

IRS Efforts Against Tax-Related Identity Theft

The IRS has:

- Increased number of filters to 200 from 11
- Limited refunds to a single account
- Locked nearly 29 million deceased taxpayer accounts
- Improved cooperation with local law enforcement
- Worked to reduce internal use of SSNs



IRS Efforts Against Tax-Related Identity Theft

The IRS has:

- Reduced prisoner tax fraud
- Established “external leads” program with financial institutions
- Recovered \$3 billion in erroneous refunds
- Helped convict about 2,000 identity thieves in recent years; Criminal Investigation has 1,700 open investigations
- Curbed EFIN abuse



Security Summit Actions for 2016

- Agreed on new “trusted customer” standards for use of tax software
 - New password standards
 - Lockout features
 - Out-of-band features
- Identified more than 20 new data elements for submission
- Improved information sharing
- Testing a W-2 Verification Code



Security Summit Campaign

Protect Your Clients; Protect Yourself

A Security Summit campaign to increase awareness among tax professionals



Protect Your Clients; Protect Yourself

A Security Summit campaign to increase
awareness among tax professionals



It CAN Happen to You

- The risk is real; preparers are prime targets for identity thieves
- Cybercriminal tactics constantly evolve
- Data loss can occur so many ways:
 - Burglar steals office computers
 - Cybercriminal breaches your systems using phishing and malware schemes
 - Disgruntled employees steals client info
 - Dispose of old devices without erasing data

Data Theft Tactics

- Phishing emails, text or calls
 - Pose as trusted organizations
 - Embed links to fake websites
 - Use malware-infected attachments
- Risks of opening phishing scams
 - Account take-overs (Banks, IRS e-Services, Tax Software)
 - Computer breaches
- Educate employees on scams/risks



Emerging Scams

- Phishing emails posing as IRS e-Services
- Phishing emails posing as new clients
- Spoofing emails to payroll personnel requesting all employee Forms W-2
- Remote takeover of tax preparer computers
- Variations constantly emerge
- Know your clients; know your employees

Protect your EFIN

- IRS reviewing improvements to EFIN safeguards
 - Stepped up efforts to expel EFIN abusers;
 - Increased on-site visits as part of monitoring process
- EFIN holders should review return numbers during filing season
 - e-Services Account updated weekly
 - Excessive numbers can be reported to



IRS

e-Help Desk

Steps to Protect Client Data

- Read Publication 4557, Safeguarding Taxpayer Data
- Review current security measures
- Create a security plan
 - Use top-notch software security
 - Educate all employees
 - Use strong passwords
 - Secure Wi-Fi
 - Encrypt PII emails
 - Backup files

Plan Ahead for Data Loss

- Create a reaction plan for data theft
 - Call IRS Stakeholder Liaison (found on IRS.gov)
 - Notify your State Tax Agency
- Review Federal Trade Commission’s “Business Center” to assist businesses with data losses
 - Notify police
 - Notify businesses



IRS—Notify clients

Help Educate Clients

- IRS, state tax administrators and tax industry working together to increase public awareness about security protections online and at home.
- Review Publication 4524, Security Awareness for Taxpayers
- Consider printing and sharing this one-page guide with your clients

Summary

- The risk is real
- Make a security plan
- Make a data loss plan
- Contact Stakeholder Liaison if you experience a data compromise
- Search terms “Stakeholder Liaisons Local Contacts” on IRS.gov

How to Monitor your EFIN



Presenter's name

Date

Access e-Services

The screenshot shows the IRS website interface. At the top left is the IRS logo. To the right are links for Subscriptions, Language, and Information For... Below these is a search bar with the text 'Search' and a magnifying glass icon, followed by the word 'Advanced'. A navigation menu contains buttons for Filing, Payments, Refunds, Credits & Deductions, News & Events, Forms & Pubs, Help & Resources, and a button for 'for Tax Pros'. Below the navigation is a banner image of three people working at a computer with the text 'Tax Professionals' overlaid. The main content area is titled 'Tax Professionals' and includes a 'Latest News' section with three articles: 'Streamlined Processing of Installment Agreements', 'Important Update about Your e-Services Account', and 'Protect Your Clients; Protect Yourself'. On the right, there is a 'PTIN Open Season' section with a 'Renew or Sign-up Now' button. A sidebar on the left features a 'TAX SERVICES' header, a photo of a woman, the text 'e-Services Online tools for tax professionals', and a blue 'Access e-Services' button with a right-pointing arrow. A red arrow points from the 'Access e-Services' button to the 'Access e-Services' button in the main content area. Below the sidebar are links for 'Enrolled Agents' and 'Enrolled Retirement Plan Agents'. At the bottom right, there is a red 'Contacts for Tax' button.

Subscriptions ▾ Language ▾ Information For... ▾

Search Advanced

Filing Payments Refunds Credits & Deductions News & Events Forms & Pubs Help & Resources **for Tax Pros**

Tax Professionals

e-Services
Online tools for tax professionals
[Access e-Services](#)

Enrolled Agents
Enrolled Retirement Plan Agents

Latest News

Streamlined Processing of Installment Agreements
The IRS is testing expanded criteria for streamlined processing of taxpayer requests for installment agreements. The test is scheduled to run through September 30, 2017.

Important Update about Your e-Services Account
IRS strengthens security for e-Services products, adds new identity authentication process to protect tax professionals, your clients and agency systems.

Protect Your Clients; Protect Yourself
The "Protect Your Clients; Protect Yourself" campaign identifies common sense steps tax professionals can take to guard against identity theft.


PTIN Open Season
Renew or register for 2017 by Dec. 31
[Renew or Sign-up Now](#)

Contacts for Tax

Click Login or Register



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Advanced

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e-Services

Online tools for tax professionals

Login or Register 

e-Services - Online Tools for Tax Professionals



Note: e-services is compatible with IE6 to IE11 only

HOT TOPICS (update 10/14/2016):


Important information for e-Services users: The IRS is committed to protecting taxpayer and tax preparer information and maintaining the security of its systems. As part of that effort, the IRS is strengthening the identity validation process for certain self-help tools on IRS.gov -- including e-services. Please review details at [Important Update about Your e-Services Account](#).

SCAM ALERT: It has come to our attention that an email is being issued to tax preparers asking them to update their e-Services information. The links provided in the email to access e-Services appear to be a phishing scam to capture e-Services usernames and passwords. This email WAS NOT generated by e-Services. If you receive an e-mail like this, do not click on the links or take any other action. See the recent IRS [media release](#) for more details. If you receive an unsolicited email that appears to be from either the IRS or an organization closely linked to the IRS, such as the Electronic Federal Tax Payment System (EFTPS), report it by sending it to phishing@irs.gov.



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Enrolled Actuaries

Enrolled Agents



Enter Username & Password



e-services now supports up to IE11. March 3, 2016 - To obtain a Transmitter Control Code (TCC) for filing ACA Forms 1094/1095-B or C, select Application from the menu and select ACA Application for TCC.

Login

Username

Password

[Forgot Your Password?](#)

LOGIN >



Register

You must register to create an account.

REGISTER >

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Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system. Unauthorized use of this system is prohibited and subject to criminal and civil penalties, including all penalties applicable to willful unauthorized access (UNAX) or inspection of taxpayer records (under 18 U.S.C. 1030 and 26 U.S.C. 7213A and 26 U.S.C. 7431).

NOTICE: The IRS reserves the right to deny access to any or all electronic services, products and/or applications, at both the individual or business entity level, in the event IRS becomes aware of any activity that constitutes or appears to constitute misuse or abuse of any electronic services, products or applications.

[e-Services Privacy Policy](#)

<http://www.irs.gov/>



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services

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- [Remove Affiliation](#)
- [Reporting Agent e-Services](#)
- [Transcript Delivery System](#)
- [Registration Services](#)

Welcome to IRS e-services

Your name and firm you are representing.

[Application](#)
Access to apply or revise an existing application on-line for participation in IRS *e-file* Program or Taxpayer Identification Number (TIN) Matching.

[Remove Affiliation](#)
Provides access to the Firm Disassociation page that will allow you to remove your affiliation to the *e-file* firm or organization you selected. Disassociating yourself from the *e-file* application will remove your name from each of the *e-file* applications shown and will eliminate all authority that resulted from your affiliation.

Click on e-file Application



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The Application to participate in the IRS *e-file* Program can be submitted on-line. The IRS will review your application information and supply a written confirmation as to your acceptance or rejection into the program. You may use this either to create a new Application or to revise an existing one.

[ACA Application for TCC](#)

The application to participate in IRS Affordable Care Act electronic filing of information returns is available on-line. The IRS will review the information submitted on your application and send an acceptance or rejection letter. You may use this link to create a new application or to revise an existing one.

[New TIN Matching Application](#)

Payers may apply for Taxpayer Identification Number (TIN) Matching, an on-line product which allows you to submit TIN/Name combinations for verification against IRS records.

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Top of e-File Application Menu Page



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e-file Application

Name:

Your Firm

Employer Identification Number
(EIN):

55-5555555

You are about to revise the application for your Firm/Organization. If your application has been submitted and been accepted by the IRS you may have to re-submit your application for review based on your revisions. Not all changes will require you to re-submit the application for review.

Select the area of the application you want to enter, revise or view information about:

[Add New Location](#)

[Firm Name & Business Type](#)

[Firm/Organization Address](#)

[Principal\(s\)](#)

[Responsible Official\(s\)](#)

[Application Contact\(s\)](#)

[Program\(s\) Applying For](#)

[Form\(s\)](#)

[ETIN Status](#)



Bottom of E-file Application Menu Page

[EFIN Status](#) ←
[Delegated User\(s\)](#)
[Application Status](#)
[Application Summary](#)
[Personal Information](#)
[Application Comments](#)
[Application Submission](#)
[Self Certification](#)

When you have finished e-file application Menu, you may do any of the following:

- Select *Previous* to go back to the ETIN Status page.
- Select *Save* to save all changes made.
- Select *Cancel* to exit the application.
- Select *Return to Search* to return to Search e-file Application.

Previous

Save

Cancel

Return to Search

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Top of EFIN Status Page



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e-file Application : EFIN Status

Name: **Your Firm**

Employer Identification Number **55-**
(EIN): **555555**

Listed below are the EFIN(s) Electronic Filing Identification Number(s) and their statuses that have been assigned to this application.

	EFIN	EFIN Status	Begin Date/Time	
1	555555	Valid/Active	10/26/2012 4:09:27PM	+

Do you own or operate Web site(s) through which taxpayer information is collected, transmitted, stored, or processed? Yes No

If you own or operate Web site(s) through which taxpayer information is collected, transmitted, stored, or processed you are required to register their URLs with us. If you own or operate any such Web site that you have not previously registered with us, select the URL Collection link on the Application Information page menu to register now.

Bottom of EFIN Status Page

Electronic Return Originator (ERO) Activity by EFIN/Return Type

The activity shown below by EFIN and Return Type represents the total YTD counts for returns submitted electronically to the IRS.

	EFIN	Return/Form Type	Processing Year	Transmitted YTD	Accepted YTD	Rejected YTD
1		1040	2016	51	50	1
2		1041	2016	9	9	0
3	555555	1065	2016	12	12	0
4		1120	2016	10	10	0
5		1120S	2016	10	10	0

Contact Information

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