

ACTR Commends IRS-Led Effort to Combat Stolen Identity Income Tax Refund Fraud

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WASHINGTON, DC – The American Coalition for Taxpayer Rights released the following statement today, as IRS Commissioner John Koskinen convened another joint meeting of the IRS, state revenue commissioners and private industry stakeholders in the continuing effort to combat stolen identity income tax refund fraud:

The American Coalition for Taxpayer Rights (ACTR), a 10-member trade association of the nation’s largest income tax preparation and tax software companies and financial institutions offering tax-time financial products, today lauded the Internal Revenue Service and Commissioner John Koskinen in its continuing effort to detect and prevent the growing problem of identity theft tax refund fraud.

The Memorandum of Understanding (MOU) announced in June between the IRS, the states and private industry has been a vital step in the joint effort to combat stolen identity income tax refund fraud. Since the MOU was announced, the collaboration between IRS, the states, and private industry has continued in unprecedented fashion.

ACTR members, who assist in the preparation and filing of an estimated 95 million federal income tax returns each year, have worked with IRS since 2011 on this problem, and identified techniques and methods to detect and prevent income tax refund fraud.

The MOU announced in June has built-in flexibility to allow the parties to address the evolving fraud threats. It is clear that much of the fraud going on today is being perpetrated by sophisticated criminals who adjust their schemes based on what they see government and industry doing or not doing.

In general terms, the MOU and the working groups that have begun work under it are focused on improving taxpayer identity-proofing and authentication, and information sharing among government and industry regarding the evolving patterns of income tax refund fraud.

“The member companies of ACTR have been focused intensely on detecting and fighting fraud,” said Stephen M. Ryan, general counsel to ACTR and a partner at McDermott Will & Emery in Washington. “We’ve routinely brought together our security experts to come up with the best ideas to detect and prevent fraud. We have been meeting regularly with the IRS on how we might collaborate to discover and fight these criminal schemes.”

“Combatting stolen identity income tax refund fraud requires a concerted, ongoing campaign by government and industry to leverage our collective resources and ingenuity to

protect American taxpayers and the integrity of our income tax system,” said Ryan, a former federal prosecutor.

ACTR includes the following 10 companies: CCH Small Firm Services; H&R Block, Inc.; Intuit, Inc.; Jackson Hewitt Inc.; Liberty Tax Service; Refund Advantage; Republic Bank & Trust Co.; Santa Barbara Tax Products Group; TaxACT; and TaxSlayer.