

PPC'S GUIDE TO TAX-RELATED IDENTITY THEFT

Identity theft is the fastest growing crime in America. Chances are that you have clients who will be victims, or you may be the victim in the event of a security breach in your business.

THE CHALLENGE

According to the Federal Trade Commission, 2016 marked the seventh consecutive year that tax-related ID theft topped the list of all ID theft complaints. Thieves have become very adept at stealing sensitive personal information through a variety of nefarious methods. They can use a person's stolen identity to file a fraudulent tax return indicating a refund is due and obtain the proceeds for their personal gain. The emotional and financial consequences of ID theft involving your client and a security breach in your business can be devastating. As your client's trusted advisor, it's important to know how to resolve tax identity theft issues. Likewise, in the event of a security breach in your business, it is important to know the immediate steps to take to get the issue resolved in the most effective and efficient manner.

Resolving tax ID theft matters and dealing with a security breach can be time-consuming and costly without the right resources. Potential challenges include:

- Communicating with the IRS to ensure a timely resolution (a tax identity theft return or issue can go through multiple employees or departments within the IRS)
- Advising victimized and upset clients
- Filing unnecessary tax return extensions, due to the inability to resolve tax ID theft issues and file returns on time
- Handling a rejected tax return due to duplicate filing
- Contacting the state(s) to report and resolve tax ID theft issues
- Contacting the federal and state authorities to report a security breach in your business
- Notifying the affected individuals and businesses of a security breach in your business

THE SOLUTION

PPC's Guide to Tax Related Identity Theft from Thomson Reuters, provides step-by-step guidance and practice aids to help you resolve tax ID theft issues, meet IRS requirements for safeguarding taxpayer data and respond effectively in the event of a security breach. This comprehensive guide helps you resolve issues at the federal level and according to each of the 50 states, including the District of Columbia.

Federal and State Tax ID Theft Issues. With this guide you will be able to identify when tax-related ID theft has occurred and quickly resolve the issue for your clients by filing complaints with the FTC, reporting the theft to the IRS and the state, handling a rejected return due to misuse of SSN, getting the taxpayer advocate office involved or dealing with post identity theft issues. This guide is designed to assist you in taking care of the matter for your clients or provide them with information to handle the matter themselves.

Federal and State Security Breach Requirements. This guide provides detailed guidance and practice aids to help businesses and tax professionals comply with the requirements to safeguard taxpayer data, and effectively respond in the event of a security breach at the federal level — according to each of the 50 states, including the District of Columbia.

CHAPTERS COVER:

- Preventing identity theft
- Recognizing tax-related identity theft
- Resolving identity theft issues for individuals
- Resolving identity theft issues for businesses
- Safeguarding taxpayer information
- Post-identity theft (ongoing) considerations
- Related tax considerations
- Non-tax considerations
- State identity theft and security breach resources

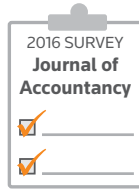
PPC's Guide to Tax-Related
Identity Theft (TIDQ)
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FREQUENCY AND IMPACT OF Tax-Related Identity Theft



2016 SURVEY
Journal of
Accountancy



60% OF CPAs

HAD TWO – FIVE CLIENTS WHO WERE VICTIMS OF

TAX-RELATED IDENTITY THEFT

40% said it was difficult to resolve

49% said victims were unaware before filing their 2015 returns

Federal Trade Commission reports over

10,000,000

Americans have their identities stolen **every year**



135,737 COMPLAINTS about

TAX IDENTITY THEFT

34% of the 399,225 total ID Thefts*

*Source-FTC



2016 was the **seventh consecutive year** that **tax-related identity theft topped** the list of all identity theft complaints

During **2016** filing season

IRS **stopped processing**



1.7 Million RETURNS

DUE TO SUSPECTED **IDENTITY THEFT**



over 600,000 or **36%** were **legitimate taxpayers** causing **unnecessary delays** for taxpayers



72% OF ALL CALLS RECEIVED WERE ANSWERED

IRS TAX SEASON 2016 (JAN 1 – APR 18)



AVERAGE WAIT TIME **11 MINUTES**

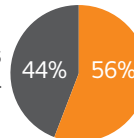
IRS "GET TRANSCRIPT" BREACH



THIEVES ATTEMPTED TO ACCESS

1.3 Million TAX PAYER ACCOUNTS

ATTEMPTS UNSUCCESSFUL



ATTEMPTS SUCCESSFUL

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