



Using a Public-Private Partnership to Address a Common Problem

The Identity Theft Threat to Our Nation's Tax System

Over 150 million households file federal and state tax returns each year, amounting to trillions of dollars flowing through the tax ecosystem. Criminals continue to target the highly sensitive personal information in these returns, threatening the integrity of the nation's tax system. In April 2016, it was estimated that 429 million identities had been exposed due to data breaches, enticing identity thieves to use the dark web or initiate pay offs to secure personal data, including stolen Social Security numbers. In response to events like this, it is the responsibility of everyone in our tax ecosystem – both in the public and private sector – to collaborate and share information to strengthen cybersecurity practices and combat identify theft to protect the nation's taxpayers.

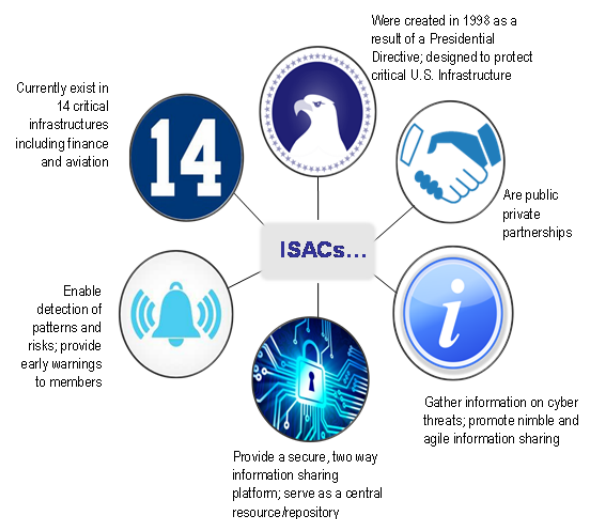
Looking at the Problem Holistically

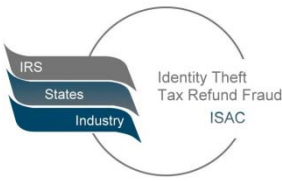
With the emergence of national and international cybercriminal syndicates, IRS Commissioner John Koskinen convened the first public-private sector Security Summit in March 2015. This unprecedented partnership among the IRS, the states and the private sector focus on the continuing challenges related to combating tax-related identity theft and propose new ways to combat refund fraud. The Summit now includes 40 states and 21 industry partners endorsed by seven major organizations representing various segments of the tax and financial industries. The Summit's collective work has helped all parts of the tax return submission pipeline by keeping false returns out of the system, improving internal fraud filters, and preventing fraudulent refunds from being deposited into criminals' accounts.

The Identity Theft Tax Refund Fraud Information Sharing & Analysis Center (IDTTRF-ISAC)

The evolving sophistication of identity thieves prompted the leaders of the IRS, tax preparation firms, software developers, payroll and tax financial product processors, and state tax administrators to identify steps to protect taxpayers and the integrity of the federal and state tax system. The participants identified the **Identify Theft Tax Refund Fraud Information Sharing & Analysis Center (ISAC)** as an essential tool for collecting and quickly sharing meaningful data and information among member organizations.

The ISAC envisions fostering collaboration between the participants, providing each member with a greater understanding of the identify theft environment and helping to anticipate identity theft attacks and proactively increasing protections.



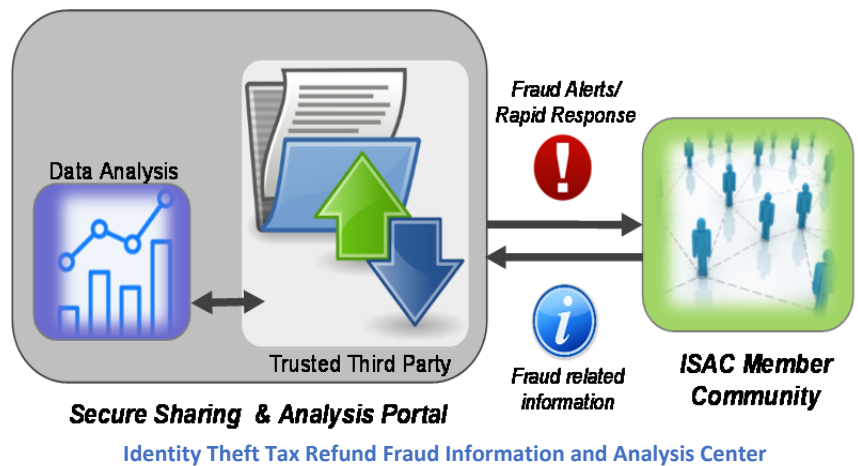


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The ISAC started operating in January 2017 as a centralized and enhanced data compilation and analysis tool. Member organizations may access critical data on breaches of information security and evolving tactics used by identify thieves to compromise taxpayer information. ISAC members interact with an

independent and trusted third party, which the IRS has evaluated and sanctioned. By working with the trusted third party, members are able to transmit data into a secure portal, and pull data submitted by other members of industry and state tax administrators to perform further analysis and identify patterns of identity theft. The ISAC also

supports participating organizations through the release of the Alerts and Rapid Response function. This provides a timely updated alert system for actionable intelligence that can be used to improve security of taxpayer information.



Participation by industry and other state tax authorities is crucial to continuing the public-private sector partnership and collaboration upon which the ISAC was founded.

Ultimately, this effort helps taxpayers, the tax community participants, and the entire nation.

In you are interested in learning more and discussing how your state or organization can benefit from participation in the ISAC, please contact the IDTTRF-ISAC trusted third party at: idttrf@mitre.org.

Additional Resources:

<p>IRS Identity Protection: Prevention, Detection and Victim Assistance</p> <p>-----</p> <p><u>Security Summit</u></p> <p><u>Federal Trade Commission</u></p> <ul style="list-style-type: none"> o <u>Identity theft</u> o <u>On-guard Online</u> <p>-----</p> <p><u>Social Security Administration</u></p> <p><u>Department of Homeland Security</u></p> <ul style="list-style-type: none"> o <u>Protecting Myself from Cyber Attacks</u> o <u>Securing Your Web Browser</u> 	<p>https://www.irs.gov/individuals/identity-protection</p> <p>-----</p> <p>https://www.irs.gov/uac/newsroom/security-summit-2015</p> <p>https://www.ftc.gov/</p> <p>https://www.identitytheft.gov/</p> <p>http://www.onguardonline.gov/</p> <p>-----</p> <p>https://www.ssa.gov/</p> <p>-----</p> <p>http://www.dhs.gov/</p> <p>http://www.dhs.gov/how-do-i/protect-myself-cyber-attacks</p> <p>https://www.us-cert.gov/publications/securing-your-web-browser</p>
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