Six Steps to Protect Your Clients and Protect Yourself from Identity Theft

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• Cybercriminals targeting tax professionals
  – January-May 2017 – 177 tax professionals reported data breaches
  – IRS receiving reports from 3 to 5 tax pros each week
• Simple steps can help protect your clients and your business
1. Review Pub 4557

- Publication 4557, Safeguarding Taxpayer Data
  - Checklist to review current security practices
  - Identify your risks
  - Create a security plan
  - Review your plan annually
2. Use Best Security Practices

• Learn to recognize and avoid phishing emails and phishing scams
• Use strong security software to protect against malware and viruses
• Use security functions on your tax prep software
• Encrypt taxpayer data
• Use strong, unique passwords
3. Lose data? Call IRS immediately

• Contact your local Stakeholder Liaison
  —www.irs.gov keyword search “stakeholder liaison” to find contact for your state
  —IRS may be able to help protect your clients if notified quickly

• Review “Data Loss Information for Tax Professionals” at IRS.gov/identitytheft for additional steps
4. Maintain, monitor & protect EFIN

• Keep e-File Application up-to-date with names, addresses and phone numbers
• Monitor use of your EFIN weekly via your e-File application
  — Monitor PTIN filings as well from PTIN account
• Protect EFIN from theft; avoid e-Services scams
• NOTE: IRS only official source for EFINs
5. Educate Clients and Staff

• Share Publication 4524, Security Awareness for Taxpayers, with clients
• Ensure all staff are aware of and maintain security protocols
6. Spread the Word on W2 Scam

- Poses as company executive, asks payroll employee for list of all employees W2s
  - 50 victims last year; 200 this year
  - Hundreds of thousands of new IDT victims
- Targets: businesses, public schools, universities, tribes
- Employer/victims should email dataloss@irs.gov and provide POC
Recap

1. Review Pub 4557 to create a security plan
2. Use best security practices at all times
3. Contact IRS immediately of data loss
4. Maintain, monitor and protect EFIN
5. Educate clients and staff
6. Warn employers about W2 scam

Bonus – stay in contact with IRS, via e-News for Tax Professionals, Quick Alerts and Social Media