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In March 2015, the [IRS assembled a public-private working group](#) of tax authorities and software developers to tackle the complex issue of tax-related identity theft. As part of this team, I'm pleased to say that much progress has been made over the past 18 months.

According to IRS Commissioner John Koskinen, the number of victims of tax-related identity theft dropped 48% in the first half of 2016, as compared to the first half of 2015. Further, the number of suspicious refunds that financial institutions returned to the IRS for review was 66% lower through mid-June of this year compared with the same period last year.<sup>[\[i\]](#)</sup>

While these downward trends are certainly impressive, the fight against tax fraud is far from over. The next step in maintaining the lead over cybercriminals involves those closest to taxpayer data—accountants and tax preparers.

### **New IRS initiatives to focus on tax preparer community**

With more and more identity theft schemes directly targeting accounting firms and other tax practitioners, the IRS recently launched the [Protect Your Clients; Protect Yourself](#) campaign focused on generating awareness among professionals on ways to safeguard their clients' data. Initiatives include sessions during the [IRS's Nationwide Tax Forums](#) that help professional better understand the identity theft and cybersecurity threats facing the profession, as well as how to protect their office against these threats. This campaign will run through the start of the 2017 filing season.

Additionally, a working group dedicated to tax professionals has been created within

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tax professionals should be prepared to check (online) how many returns the IRS has recorded under each EFIN against their own records. Discrepancies should be investigated.

### **Software providers to offer additional safeguards and training**

As cybercriminals become more and more sophisticated, software vendors are rising to the challenge. Most accounting software vendors are adding security measures this year that will make tax processing different than in years past in an effort to provide more security. As such, it's important that tax professionals avail themselves to related training sessions in advance to acclimate early to these new measures and avoid potential long call center wait times during tax season.

### **Looking ahead to tax season**

As all accountants know, it's never too early to start preparing for next tax season. Make sure to use the off-season to keep updated on the latest IRS security initiatives and tax software training. There is no doubt that more and more accounting firms will find themselves in compromised positions, so it's important to know [what steps to take](#) and [what support is available](#). The extra time and effort involved is certainly worth it. In this profession, there is nothing more important than the safekeeping of our clients' personal information.

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