

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

## Phishing

Often, these emails appear to come from a legitimate source—a well-known organization, friend or co-worker—because these accounts have also been victimized. In this example, it would appear to come from someone that is sincerely looking for assistance ...

Feb. 22, 2017

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



The IRS recently **warned** accountants and tax preparers about a new, two-phased phishing scam involving cybercriminals posing as potential clients. This new scam is especially deceiving as many of tax professionals are so inundated with client requests during tax season that they may let their guard down.

Here's how it works. The first phishing email comes in the form of a need for service with a message along the lines of, "I need a tax preparer to file my taxes." If you take the bait and answer back, a second email includes either an embedded web address or a PDF attachment with an embedded web address that supposedly contains the prospective client's tax information. When you click on the link or download the attachment, your email address, password and other private information is then

collected. Note that there are single-step versions of these emails as well, where the

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

firm's and your client's personal information so they can attempt to file and claim fraudulent tax returns.

### How tax software providers are safeguarding against these threats

Thomson Reuters and other tax software providers are [working in partnership with the IRS](#) to safeguard accounting firms and their clients, particularly when it comes to new requirements and additional security measures that strengthen login credentials for all tax-related software. Here's an overview of what's required, and additional steps some software companies may be taking.

- 1. Login requirements.** The IRS requires that any tax-related software for professionals must have a login with certain password requirements, regardless of whether the software is accessed via desktop or the cloud.
- 2. Password strength.** As defined by the IRS, a strong password must now contain a minimum of eight characters with at least one uppercase letter, one lowercase letter, one number and one special character. The IRS requires that passwords expire after no more than 90 days.
- 3. Timeout period.** After 30 minutes of user inactivity, tax software application access is suspended and users are required to re-authenticate using their credentials. It's important to note that although access is suspended, the operation of the software is not, so processes in the software will continue during the timeout period (if the software provider properly implements the timeout).
- 4. Multi-factor authentication.** It is strongly advised that firms employ [multi-factor authentication](#) with industry standard authentication factors for additional security, if available from the software provider. Thomson Reuters provides a multi-factor mobile app to make this protection readily available.
- 5. Issuing License PINs.** As part of ongoing efforts to increase security, some vendors, such as Thomson Reuters, issue every firm a License PIN which must be

input before customers can download software licenses. It's important to note that

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

While the IRS and tax software providers are taking steps to combat cyber-attacks, it's imperative that you remain vigilant and stay informed. Your firm's privacy and reputation are at stake.

For more information on the ins and outs of phishing, as well as advice on how to protect your firm's sensitive information, check out [Phishing schemes: An accelerating threat for accounting firms](#).

---

**Jon Baron** joined the Tax & Accounting business of Thomson Reuters in 1992. Prior to his current position as Managing Director of the Professional segment, Jon held the positions of President of Professional Software & Services, and Vice President of Development, where he was responsible for the design and development of all Professional products and services. Jon has three decades of technology development and management experience. Jon holds a BBA in Accounting from Siena College and an MBA from Boston University.

Firm Management • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved