



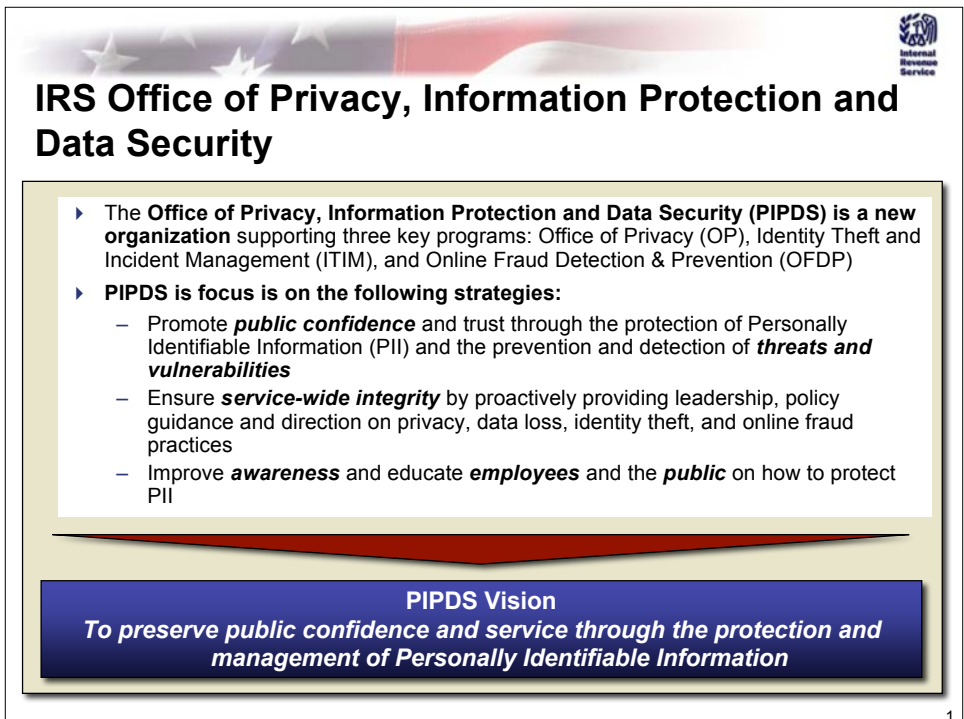
Everyone's at Risk

Combating the Increasing Threat of Online Fraud and Identity Theft



Internal Revenue Service

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IRS Office of Privacy, Information Protection and Data Security

- ▶ The **Office of Privacy, Information Protection and Data Security (PIPDS)** is a new **organization** supporting three key programs: Office of Privacy (OP), Identity Theft and Incident Management (ITIM), and Online Fraud Detection & Prevention (OFDP)
- ▶ **PIPDS is focus is on the following strategies:**
 - Promote **public confidence** and trust through the protection of Personally Identifiable Information (PII) and the prevention and detection of **threats and vulnerabilities**
 - Ensure **service-wide integrity** by proactively providing leadership, policy guidance and direction on privacy, data loss, identity theft, and online fraud practices
 - Improve **awareness** and educate **employees** and the **public** on how to protect PII

PIPDS Vision
To preserve public confidence and service through the protection and management of Personally Identifiable Information

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Increasing threat facing IRS and American taxpayers

- ▶ The Federal Trade Commission (FTC) estimates that over 9 million Americans become the victims of identity theft each year. Skilled identity thieves use a variety of methods to get PII from victims:
 - **Dumpster Diving:** Rummaging through trash
 - **Skimming:** Stolen credit/debit card numbers using a special storage device
 - **Phishing:** (Get Your Refund) Fraudulent e-mail pretending to be legitimate institutions
 - **e-file Phishing Sites:** Web-based site advertised through commercial pay per click sites. Captures the victim's tax information and reroutes the refund to the phisher's bank account
 - **Stealing:** Wallets, purses, mail



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Increasing threat facing IRS and American taxpayers

- ▶ 2006 Business Software Alliance and Harris Interactive Survey
 - Almost 30% of adults shop online less or not at all due to fear of identity theft
 - 2007 PhishTank report shows that IRS is the 24th most spoofed brand in the world
- ▶ 2009 Symantec's Internet Security Threat Report
 - Web surfing remained the primary source of new computer infections in 2008
 - The Underground Economy report shows that credit card information, other financial information and phishing/spam information are the top three selling items in the underground economy

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Evolving Cyberspace threats

- ▶ Increasing sophistication of Cyber attacks, e.g., **Click Jacking**
- ▶ Increasing sophistication and effectiveness of **Botnets**
- ▶ Cyber **espionage efforts** by well-resourced organizations looking to extract large amounts of data
- ▶ Increasing frequency and scale of Cyber threats
- ▶ Shift from “**Glory-Motivated-Vandals**” to “**Financially-Politically-Motivated-Cyber-Crime**”



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Emerging threats

- ▶ Social networking Web sites
 - Increasing popularity of social networking sites such as Facebook, LinkedIn, MySpace, Twitter, etc. creates new opportunities for identity thieves and Cyber criminals to commit fraud and online crime
- ▶ Mobile devices
 - Mobile phones, Blackberries, iPhones, etc. now serve as pocket computers for personal and business use because of their portability and ability to store, transmit, and share large volumes of information; however, the security of these devices is a concern



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The IRS protects taxpayers by focusing on safeguarding personal information

IRS PII Protection Efforts

- ▶ Reduce the use of a taxpayer's SSN to identify tax documentation
- ▶ Analyze vulnerabilities in key IRS business processes
- ▶ Provide a comprehensive identity theft education program with supporting tools to all employees to expand their knowledge on identity theft issues
- ▶ Collaborate with a wide variety of organizations to combat identity theft



DETER-DETECT-DEFEND
AVOID THEFT



We continue to work to detect online identity theft fraud schemes before they affect taxpayers

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Identity theft can impact your tax account

- ▶ What if an undocumented worker uses your Social Security number in order to get a job?
- ▶ What if an identity thief files a tax return with your Social Security Number in order to receive a refund?



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IRS Identity Protection Specialized Unit

- ▶ As part of the IRS' strategy to reduce taxpayer burden caused by identity theft, the *Identity Protection Specialized Unit* opened October 1, 2008, to help resolve identity theft victims' issues quickly and effectively.
- ▶ Victims can call a dedicated toll-free number, (800) 908-4490, Monday – Friday, 8:00 a.m. – 8:00 p.m., local time.
- ▶ The unit will reduce taxpayer burden by providing individualized assistance regarding identity theft issues and tax accounts.



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The IRS recently implemented identity theft account indicators

- ▶ Mark taxpayer accounts to track identity theft and provide specialized victim assistance
 - Taxpayers who currently have tax problems related to an identity theft
 - Taxpayers self-reporting identity theft to the IRS with no current tax problems related to the identity theft
 - Taxpayers identified by the IRS as victims of identity theft





The case of an identity thief



Evangelos Soukas
testifying before the
Senate Finance
Committee at a hearing in
April 2007

- ▶ Convicted felon Evangelos Soukas revealed how he defrauded the IRS and committed identity theft against U.S. taxpayers
- ▶ Soukas used personal information stolen from taxpayers by an entry-level employee at a cell phone company to file false tax returns and obtain fraudulent refunds
- ▶ He told the Senate Finance Committee that using stolen identities to apply for tax refunds was “an easy way to make money quickly”
- ▶ Soukas is serving a 7 ½-year federal prison sentence for identity fraud, filing false income tax returns, wire fraud, and mail fraud

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Fraudulent e-mail

From: "Internal Revenue Service"

Subject: IRS Notification - Fiscal Activity

Date: Sun, 26 Aug 2007 23:57:35 +0300

After the last annual calculations of your fiscal activity we have determined that you are eligible to receive a tax refund of \$268.32.

Please submit the tax refund request and allow us 6-9 days in order to process it.

A refund can be delayed for a variety of reasons. For example submitting invalid records or **applying** after the **deadline**.

To access the form for your tax refund, please [click here](#) .

Regards,

Internal Revenue Service

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Fraudulent Stimulus Payment e-mail

From: service@irs.gov
Date: 4/18/2008 12:32:00 PM
Subject: Get 2008 Economic Stimulus Refund (\$1800)

- ▶ Over 130 million Americans will receive refunds as part of President **Bush** program to jumpstart the economy.
- ▶ Our records indicate that you are qualified to receive the 2008 Economic Stimulus Refund.
- ▶ The fastest and easiest way to receive your refund is by direct deposit to your checking/savings account.
- ▶ Please click on the link and fill out the form and submit before April 18th, 2008 to ensure that your refund will be processed as soon as possible.
- ▶ Submitting your form on April 18th, 2008 or later means that your refund will be delayed due to the volume of requests we anticipate for the Economic Stimulus Refund.
- ▶ To access Economic Stimulus Refund, please click here.
- ▶ Link pointed to: <http://forty-two.info/msm/install/templates/www.irs.gov/get-refund/irfofetstatus.htm>

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Fraudulent IRS Site



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United States Department of the Treasury

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4. [Form SS-4](#)
5. [Form 8822](#)

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Online Tools

- [Online EIN Application](#)
It's fast and user-friendly
- [Where's My Refund?](#)
It's quick, easy and secure
-  **Fast, Easy & More Accurate.**
-  **File, Pay... and More.**

[More Online Tools](#)

Get Refund

Please enter your Social Security Number and your **DEBIT Card** information where refunds will be made. Double check your data before submitting this form

SSN:

Debit Card Number:

Expiry date: Month Year

CVV2:

Full Name:

City:

Zip Code:

Date of Birth: Ex: mm/dd/yy

Email:

I need to...

<Select One>



▶ **NEW e-file for Excise Taxes**

Is your Form 2290 due?
Why not e-file!

▶ **BONUS at Anaheim Forum**

Multicultural issues? Talk to

Official IRS.Gov Site

Internal Revenue Service
United States Department of the Treasury

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Most Requested Forms and Publications

1. Form W-4
2. Form W-9
3. Form 1040
4. Form 8872
5. Form 1040X

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Online Services

- where's my refund?**
It's quick, easy and secure
- freefile**
Do taxes online free
- e-file**
Fast, Easy & More Accurate.
- [How Much Was My Stimulus Payment?](#)

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Need Help?

Avoid Rebate Credit Confusion
We offer tips to help you get it right.

1040 Central Meets Your Needs
Try our one-stop shop for all your tax season needs.

What if...?
Job loss? Foreclosure? Find out how to deal with unpleasant situations.

2 of 4

Update on Recovery Tax Provisions for Individuals and Businesses
Find out about tax deductions, credits and other aspects of the economic recovery law.

Free File Available
E-filing through Free File is available until Oct. 15 for most people.

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IRS Nationwide Tax Forums
First stop: Las Vegas
Register early and save \$129

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Apply online for a monthly payment agreement.

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Credit cards galore...conversations from the underground

I am glad to offer my service to all you guys.

I am selling US cvv2 with NO LIMIT (UK & Canadian and International cvv2s will be available soon)

*Cvv2s have the following information:

- Card Number
- Card Expiry
- CVV2
- First and Last Names
- Address & City
- State & Zip/Postal Code
- Country (US)
- Phone #

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Conversations from the underground

(Actual conversation with IRS employee)

Talking Roots for sell

Prices:

- 1-9 roots without php and smtp – **20\$** per root
- 10 or more roots without php and smtp – **16\$** per root

- 1-9 roots with php and smtp – **30\$** per root
- 10 or more roots with php and smtp – **25\$** per root

I also provide shells.

8\$ per shell. You can also put there scam/php mailer (but it does down faster then root)

Payment **ONLY** with E-Gold.

- No WU or Wire.
- PM for more info.

Fraudulent e-file Site



HR-Prep.com

Home | Start your return | Forms supported | Tax services | FAQ | Privacy policy | Contact

ABOUT FREE FILE

The speed, accuracy, and convenience of computers allow e-filed returns to be processed faster and more accurately than paper returns. You can e-file your return from home or through a tax professional using an authorized software package anytime of the day or night.

Prepare your 2005, 2006, or 2007 tax return online
We provide you with expert advice and free live support. Whatever your tax situation, customer satisfaction is our #1 priority. You can file late at HR-Prep.com.

Do you Owe the IRS?
We realize that being past due on your taxes may make you feel uneasy. Have peace of mind and prepare an IRS INSTALLMENT PLAN online. You can also have a tax professional review your return and if needed, represent you before the IRS.

Are You Getting a Refund?
The U.S. Treasury still has billions of dollars of unclaimed tax refunds. Prepare your return today to uncover how much is waiting for you. If you are getting a refund, you are usually still required to file a tax return. Let us help you get this done quickly and file your past year tax return online.

Did you need a copy of your prior year (2002 - 2007) tax return or a supplemental form (W2, 1099-R) that was already filed with the IRS?
If you filed your prior or current year tax return, you can request the IRS transcripts of your tax return, W2, or 1099-R and receive it on the SAME BUSINESS DAY (if requested before 3 PM EST).
Completing the request only takes 5 minutes, and the IRS authorized transcripts are good for Mortgages, Student Loans, Legal Documentation, etc.

START A NEW RETURN
Your Federal tax return is guaranteed accurate. Easy to use, user-friendly interface. Free Federal e-file \$9.95 optional state return. [More information...](#)

CONTINUE YOUR RETURN
You do not have to complete your entire return all one time. You can start your return, stop and come back as many times as you need to finish your return. [More information...](#)

CHECK E-FILE STATUS
Receive a refund in about half the time as a paper filer with e-file! [More information...](#)

FREE REFUND CALCULATION
Last Name:
Current Address:
SUBMIT

Start a new Tax Return NOW!

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