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Department of the Treasury
Internal Revenue Service
Privacy, Governmental Liaison and Disclosure
Centralized Processing Unit
Stop 93A
PO Box 621506
Atlanta, GA 30362

Date:
July 31, 2020
Employee name:
Athena Amparano
Employee ID number:
1000220447
Telephone number:
214-413-5489
Fax number:
855-205-9335
Case number:
2020-02421

This is a final response to your Freedom of Information Act (FOIA) request dated June 5, 2020, received in our office on June 8, 2020.

You asked for the agenda and minutes for meetings of the Electronic Tax Administration Advisory Committee (ETAAC) for 1/1/2019 To 6/8/2020. We searched for and located 87 pages of documents responsive to your request. I've enclosed a copy of the requested records consisting of 87 pages. This is a full grant of your request.

If you would like to discuss our response, you have the right to contact the FOIA public liaison, Summer Sutherland, at (801) 602-2149.

The FOIA public liaison responds to FOIA and Privacy Act requests for copies of documents maintained by the IRS. There is no provision in either Act to resolve tax, collection, or processing issues. If you need assistance with tax-related issues, you can call the IRS at 800-829-1040.

If you have questions, you can contact me at the telephone number shown at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Amparano".

A. Amparano
Tax Law Specialist
Disclosure Office 13

Enclosure:
Responsive Records

2019 ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE (ETAAC)**1111 CONSTITUTION AVENUE****AGENDA****TUESDAY, SEPTEMBER 24, 2019**

Main IR 4415 or 888-331-8226 Access-3096452

8:00 – 8:30	Check-in/Coffee	Coffee is available in the IRS cafeteria. Water will be provided.
8:30 – 9:00	Welcome IRS and ETAAC Member Introductions	Terry Lemons, Chief C&L John Lipold, ETAAC DFO, NPL ETAAC Members
9:00 – 9:30	Administrative Items: Emergency Contacts, Non-Disclosure Forms, Travel Arrangements and Reimbursement / FACA Media	Mike Deneroff, ETAAC Program Manager, NPL John Lipold, ETAAC DFO, NPL
9:30 – 10:20	Ethics/Code of Conduct Discussion & Document Retention Requirements	IRS Chief Counsel Micah Morris Ashley Silberhorn
10:20 – 10:30	Break	
10:30 - 11:15	Security Summit WG's & ISAC ETAAC Role (Charter & 2019 Taxpayer First Act) ETAAC Alignment to Summit WG's/ISAC ETAAC Report Process, Deliverables & Schedule ETAAC Organization: Subgroups & Teams January & March Meeting Dates	Phil Poirier, ETAAC Chair Mike Deneroff, NPL
11:15 – 11:30	Update on 2019 Congressional Engagement	Phil Poirier Mark Steber Joe Sica
11:30 – 12:15	Lunch	
12:15 – 1:15	IRS respond to ETAAC 2019 Report Recommendations IRS provide suggested areas for potential ETAAC review	ETAAC Chair Mike Beebe Denise Davis, Theresa Rossi-Franzke Lamar Singletary Jamie Shaw John D'Ambrosio Robert Cox Edward Killen Barbara Adams
1:15 – 2:00	Security Summit Big Picture: 2019 YTD IDTTRF Results, emerging threats, & overall direction for 2020	ETAAC Chair Mike Beebe Denise Davis Theresa Rossi-Franzke
2:00 – 2:15	Break	

2:15 – 3:00	2019 Electronic Filing Results	<p>John Sapp Dan Mullins, WI CAS SP ESSB for e-file Rosa Hawkins, WI CAS SP PMPA for Monitoring Donn Heidotting, WI CAS SP PMPA for Resource Leann Ruf, Return Preparer Office Denise Davis, W&I RICS John D’Ambrosio, W&I RICS</p>
3:00 – 3:45	<p>ETAAC Info Sharing Subgroup: Security Summit Work Group Report Outs</p> <ul style="list-style-type: none"> • Info Sharing • STAR • ISAC 	<p>Mark Steber, Current Info Sharing Subgroup Leader Denise Davis (IS & ISAC) Theresa Rossi-Franzke (IS) John D’Ambrosio (IS) Geoffrey Gerbore (ISAC)</p>
3:45 – 4:30	<p>ETAAC Filing Subgroup: Security Summit Work Group Report Outs</p> <ul style="list-style-type: none"> • Authentication • Financial Services 	<p>Joe Sica, Current Filing Subgroup Leader Denise Davis (Auth & FS) Theresa Rossi-Franzke (AUTH & FS) Jamie Shaw (Auth) Lamar Singletary (FS)</p>

2019 ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE (ETAAC)

1111 CONSTITUTION AVENUE

AGENDA

WEDNESDAY, SEPTEMBER 25, 2018

Main IR 3411 or 888-331-8226 Access-3096452

8:00 – 8:30	Administrative Items, Follow –ups from Day #1 (inc'l meeting dates)	ETAAC Chair NPL
8:30 – 9:45	Taxpayer First Act Overview & Discussion	Taxpayer First Act Office Rob Ragano Lisa Beard
9:45 – 10:00	Break	
10:00 – 12:30	Review proposed 2020 Report Topics	ETAAC Members
12:30 – 1:00	Working Lunch	
1:00 – 2:00	Rate select proposed topics and solicit team members	ETAAC Members

ETAAC AGENDA -- TUESDAY, JANUARY 7, 2020**ROOM: 2140****888-331-8226 ACCESS CODE 814 3169**

Time	Duration	Topic	Presenters/Facilitators
8:00 - 8:30	30 min	Clear security, assemble & coffee	<i>Cafeteria</i>
8:30 – 9:00	30 min	Admin, Meeting Goals and Deliverables	IRS NPL ETAAC Chair
9:00 – 10:15	75 min	Discussion #1: Third Party Threat Briefing	Justin Cole, CI Jarod Koopman, CI
10:15 – 10:30	15 min	Break	
10:30 – 11:30	60 min	Discussion #2: CFO/Business Modernization Discussion	Ursula Gillis, CFO Bryan Musselman, CFO Tommy Smith, IT
11:30 – 12:00	30 min	Discussion #3: Identity Assurance Plan Update	Nan Downing, PGLD Patrice Wilmot, IT
12:00 – 1:00	60 min	Lunch	
1:00 – 2:00	60 min	Discussion #4: Taxpayer First Act	Lisa Beard, TFAO Rob Ragano, TFAO Jim Clifford, TFAO Lia Colbert, TFAO Laurie Tuzynski, SB/SE
2:00 – 3:00	60 min	Discussion #5: Updated IRS IDTTRF Strategy & Taxonomy	Mike Beebe, W&I (RICS) Denise Davis, W&I (RICS) Jack D'Ambrosio, W&I (RICS) Neil Schoonmaker W&I (CARE) Juan Mendez (RAAS) Ed Emblom (RAAS)
3:00 – 3:15	15 min	Break	
3:15 – 3:45	30 min	Discussion #6: IRS Risk Management Office	Tom Brandt, CRO Melissa Reynard, CRO
3:45-4:30	45 min	Security Summit: Big Picture Assessment	ETAAC Chair
4:30-5:00	30 min	Review Potential ETA Topics (Ind & Empl Efile; Free File/VITA)	ETAAC Chair Designated ETAAC Members

ETAAC AGENDA -- WEDNESDAY, JANUARY 8, 2020
ROOM 2140
888-331-8226 ACCESS CODE 814 3169

Time	Duration	Topic	Presenters/Facilitators
8:30 - 8:45	15 min	Admin Kick off	IRS NPL ETAAC Chair
8:45 – 9:30	45 min	Topic Team Break-out Sessions (Rooms 3115, 3226, and 7565)	ETAAC Chair & Topic Team Leaders
9:30 – 9:45	15 min	Break/Reassemble Main Meeting Room	
9:45 – 10:15	30 min	Topic Team Review: Tax Pro/Comms	Geno Salo
10:15– 10:45	30 min	Topic Team Review: STAR/Cyber	Julie Magee/Phil Poirier
10:45 – 11:30	45 min	Topic Team Review: Authentication	Dan Eubanks
11:30 – 12:00	30 min	Topic Team Review: Financial Services	Joe Sica
12:00 – 12:30	30 min	Working lunch	
12:30-1:15	45 min	Topic Team Review: ISAC/Info Sharing	Lynne Riley
1:15-2:00	45 min	Wrap up & next steps	ETAAC Chair

ETAAC AGENDA -- TUESDAY, MARCH 17, 2020
CONFERENCE LINE: 312-777-1455 ACCESS CODE: 814 3169

WEBEX LINK: [HTTPS://MEETINGS-](https://meetings-external.irs.gov/orion/joinmeeting.do?MTID=c9fd367d4c25190e5d4f7700a6319bc8&RT=MiMxMQ%3D%3D)

[EXTERNAL.IRS.GOV/ORION/JOINMEETING.DO?MTID=c9fd367d4c25190e5d4f7700a6319bc8&RT=MiMxMQ%3D%3D](https://meetings-external.irs.gov/orion/joinmeeting.do?MTID=c9fd367d4c25190e5d4f7700a6319bc8&RT=MiMxMQ%3D%3D)

Time (ET)	Duration	Topic	Attendees/Facilitators/Guests
Briefings & Discussions			
8:45 – 9:00	15 min	Admin, Meeting Goals and Deliverables	IRS NPL ETAAC Chair
9:00 – 11:00	120 min	DHS Federal Cybersecurity Program and DNI Threat Briefing	Alan McClelland, DHS CISA Branko Bokan, DHS CISA Yemi Rotimi, DNI Cyber Threat Ctr David Keila, DNI Cyber Threat Ctr Jaime Duque, DNI Cyber Threat Ctr Mike Batdorf, IRS CI Leesia Huffner, Mitre Sidney Gibson, Mitre
11:00 – 11:15	15 min	Break	
11:15 – 12:15	60 min	ISAC Implementation of TFA 6103 Amendments	Mike Beebe, IRS W&I Denise Davis, IRS W&I Mike Oser, IRS PGLD Julie Schwartz, IRS Counsel Drew Keaton, IRS Counsel
12:15 – 12:45	30 min	Lunch/Break	
12:45 – 1:30	45 min	IRS Enterprise Risk Management Program (ERM)	Tom Brandt, IRS CRO Melissa Reynard, IRS CRO
1:30 – 3:00	90 min	IRS Modernization Business Plan	Nancy Sieger, IRS CIO Tommy Smith, IRS CIO Max Hodal, IRS CFO
3:00 – 3:15	15 min	Break	
Proposed Recommendation Reviews			
3:15 – 4:00	45 min	STAR/Cybersecurity	Phil Poirier
4:00 – 4:30	30 min	Electronic Filing & ETA	John Sapp

ETAAC AGENDA -- WEDNESDAY, MARCH 18, 2020
312-777-1455 (OR 888-331-8226) ACCESS CODE 8143169

WEB-Ex Link: <https://meetings-external.irs.gov/orion/joinmeeting.do?MTID=36ce691fde5e7c6af4d5211f661168d8&RT=MiMxMQ%3D%3D>

Time (ET)	Duration	Topic	Facilitators	Handout
9:00 - 9:30	30 min	Authentication	Daniel Eubanks	Yes
9:30 – 10:00	30 min	Financial Services & Security Summit	Joe Sica & Geno Salo	Yes
10:00 – 10:15	15 min	Memo to IRS TFA Team Office	Phil Poirier	Yes
10:15 – 10:30	15 min	Break		
10:30 – 11:00	30 min	ISAC/Information Sharing	Lynne Riley	Yes
11:00 – 11:30	30 min	Electronic Filing & ETA	John Sapp & Phil Poirier	Yes
11:30 – 12:00	30 min	Overall Recommendations: Review & Consolidation Discussion	Phil Poirier	Yes
12:00 – 12:30	30 min	Meeting Wrap-up: <ul style="list-style-type: none"> • Report Prep: Next Steps & ETAAC Reviews <ul style="list-style-type: none"> ○ “Wrapper” Sections: ~Mentor/Mentees <ul style="list-style-type: none"> ▪ Letter from Chair ▪ Executive Summary ▪ Progress Toward 80% E-file Goal ▪ Current Environment for IDTTRF & Cybersecurity ▪ About IRS Security Summit ▪ Progress on Past ETAAC Recos ▪ Summary List of ETAAC 2019 Recos ▪ Appendix A: About ETAAC ▪ Appendix B: ETAAC Member Bio’s ▪ Appendix C: E-file Analytical Methodology ○ Draft/Final Report Reviews – Target Dates <ul style="list-style-type: none"> ▪ Selected Individual Topic (material) Edit Reviews (March) ▪ Summary recommendation review? (March) ▪ Full Draft #1: ~60% (mid-late April) ▪ Full Draft #2: ~95% (early May) ▪ IRS Review: 100% (mid-May) ▪ Final Report (Post-IRS): 100% (late May) • June Public Meeting Structure <ul style="list-style-type: none"> ○ Day #1: Briefings/Discussions + Public Meeting Prep ○ Day #2: Public Meeting (1/2 day) • Possible June Briefings/Discussions: <ul style="list-style-type: none"> ○ National Taxpayer Advocate (45 min) ○ IRS Enforcement Director (30 min) ○ DHS/DNI Threat Briefing (60-90 min) ○ IRS E-signature team (60 min) 	Phil Poirier	No

ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE
The Internal Revenue Service Auditorium
1111 Constitution Avenue NW, Washington, DC, 20224
WEDNESDAY, JUNE 19, 2019
AGENDA

Time	Topic	Presenter
9:00 – 9:10	Welcome	Doreen Warren , Chair, ETAAC Mel Hardy , Director National Public Liaison, Communication & Liaison
9:10 – 9:20	Remarks	Kirsten Wielobob , Deputy Commissioner for Services and Enforcement
9:20 – 10:15	ETAAC Overview Report And Significant Issues	Doreen Warren , ETAAC Chair and Subgroup Chairs
10:15 – 10:30	Thank you to Members and Group Picture	Deputy Commissioner Wielobob
10:30 – 10:45	Break	
10:45 – 12:00	Recommendations Review	
	Overview of Topic Areas	Phillip Poirier , ETAAC Vice Chair
	Strengthen the Security Summit Information Sharing and Analysis Center (ISAC)	Courtney Kay Decker , ETAAC Member Jenine Hallings , ETAAC Member
	Improving Security	Shannon Bond , ETAAC Member
	Protecting and Enabling Taxpayers	Lynne Riley , ETAAC Member JC Craig , ETAAC Member
	E-File Update	Kathy Pickering , ETAAC Member
	Operating Divisions Security Summit Leads (Comments may be made as issues are presented.)	Mike Beebe , Director, Return Integrity & Compliance Services Denise Davis , Director, Return Integrity Operations, RICS Terry Lemons , Chief, Communications and Liaison Edward Killen , Director, PGLD Robert Cox , Executive Officer, Cybersecurity Carol Campbell , Director, Return Preparer Office

**ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE
The Internal Revenue Service Auditorium
1111 Constitution Avenue NW, Washington, DC, 20224
WEDNESDAY, JUNE 19, 2019
AGENDA**

Closing Remarks

Doreen Warren, ETAAC Chair

1 UNITED STATES DEPARTMENT OF THE TREASURY
2 INTERNAL REVENUE SERVICE
3 ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE
4 (ETAAC)

5
6 Public Meeting

7
8 Wednesday, June 19, 2019
9 9:05 a.m.

10
11 The Internal Revenue Service Auditorium
12 1111 Constitution Avenue, N.W.
13 Washington, D.C. 20224

14
15 MEMBERS PRESENT:

16 Doreen Warren, Chair
17 Phillip L. Poirier, Jr., Vice Chair
18 John Ams
19 Shannon Bond
20 John Breyault
21 Angela Camp
22 John Craig

1 MEMBERS PRESENT (Continued):

2 Jenine Hallings

3 Courtney Kay-Decker

4 Kathy Pickering

5 Lynnette T. Riley

6 Joseph Sica

7 Mark Steber

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1 P R O C E E D I N G S

2 MR. HARDY: Well, good morning, everyone.
3 Good morning. If you could please make your way to
4 your seats, we would greatly appreciate it. All right.
5 Well, good morning, everyone. And welcome to the 2019
6 ETAAC, Electronic Tax Administration Advisory Council,
7 report to Congress.

8 My name is Melvin Hardy. I am the director
9 of the National Public Liaison. I will keep my remarks
10 short since we have a very full schedule.

11 If you are recording this, like my good
12 friend Kathy Pickering, that is fine. No. Welcome.
13 And we have a full schedule.

14 We are really happy that everyone is here.
15 We are honored to have our deputy commissioner, Kirsten
16 Wielobob, representing the IRS leadership here. And so
17 right now, I will turn it over to Kirsten for some
18 brief remarks and then turn it over to our chair of
19 ETAAC, Doreen Warren. Kirsten?

20 DEPUTY COMMISSIONER WIELOBOB: Thanks, Mel.

21 So I am glad to be with you guys here today
22 at the ETAAC meeting on behalf of Commissioner Rettig

1 and the IRS leadership. He is at NYU I think.

2 MR. HARDY: That is right.

3 DEPUTY COMMISSIONER WIELOBOB: And so it is
4 going to be par for the course that we will see him
5 quoted in the press.

6 (Laughter.)

7 DEPUTY COMMISSIONER WIELOBOB: Hopefully I
8 won't be quoted in the press. That is one of the
9 differences besides the height between him and me.

10 (Laughter.)

11 DEPUTY COMMISSIONER WIELOBOB: So in the late
12 1990s, I was working at IRS as an assistant to
13 Commissioner Rossotti as Congress drafted IRA-98. So I
14 recall very clearly the 80 percent goal. I also
15 remember the ETAAC authorization. I also remember how
16 nervous the agency was about 80 percent goal.

17 So here we are today. We are well past 80
18 percent. And I am in the commissioner's office again
19 but in a different role. So I have been able to watch
20 over the last 22 years --

21 (Laughter.)

22 DEPUTY COMMISSIONER WIELOBOB: I have been

1 able to watch the agency surpass the goal.

2 I have also watched groups like ETAAC
3 flourish. I have also watched the Security Summit and
4 ISAC get started and really take off. The partnerships
5 between IRS, state tax administrations and private
6 industry are really critical to effective tax
7 administration and protecting, as we call it, the tax
8 ecosystem, which was a term that didn't exist back in
9 the 1990s, by my recollection. See, that is sort of my
10 timeframe, '80s-'90s, right?

11 But, specifically regarding your report, I
12 really appreciated your recommendations on several
13 topics. And I know we are doing a summary, but I did
14 read ahead. Okay? I usually don't read ahead.

15 (Laughter.)

16 DEPUTY COMMISSIONER WIELOBOB: Now, one area
17 is identity theft and refund fraud. You know, as you
18 point out, we really do need to continue our efforts
19 here as the sophistication of the bad actors improves.
20 And it seems to just continue to improve. So we really
21 do need to continue focus there.

22 And I do note that thatongress acknowledged

1 the important work you are doing here but codifying the
2 charter extension and the Taxpayer First Act. I
3 thought that was pretty interesting. And, thankfully,
4 the legislation also includes provisions to expand 6103
5 for ISAC, which is really, really critical in my view.
6 We have been pushing for that a couple of years on
7 several different fronts. So I appreciate that you
8 guys are focused on that and have stayed focused on
9 that.

10 There are other aspects of the report that I
11 wanted to mention, too. In my current role, I
12 appreciate that you mentioned getting amended returns
13 filed electronically. That will help IRS and taxpayers
14 on a number of levels: reduction in burden, increased
15 ability to fight refund fraud. There is a couple of
16 things. I am a broken record on a couple of topics,
17 and that is one of them.

18 I also appreciated the comments on employment
19 return e-filing. You know, in the Taxpayer First Act,
20 they reduce the threshold from 250 returns to 10
21 returns. I would have preferred ripping off the Band-
22 Aid, but it is what it is. I appreciate that it is in

1 there at all and that you guys have included it as
2 well.

3 So just generally on behalf of the
4 commissioner, on behalf of the IRS, we really
5 appreciate your work. Chair, we appreciate all the
6 time and effort and leadership that you have put into
7 ETAAC this last year. And, Phil, appreciate. Thanks
8 in advance. How about that? Thanks in advance for the
9 leadership you are going to provide. Again, these
10 groups are critical to effective tax administration.
11 And I know this takes a lot of time and effort. And I
12 want to acknowledge that and thank you for it.

13 So, with that said, I am going to turn it
14 over to you and hear more about your recommendations.

15 CHAIR WARREN: Thank you. Thank you, Deputy
16 Commissioner Wielobob.

17 DEPUTY COMMISSIONER WIELOBOB: Good job
18 because that is a hard one. That is a hard one.

19 (Laughter.)

20 CHAIR WARREN: First thing done.

21 DEPUTY COMMISSIONER WIELOBOB: Yes.

22 CHAIR WARREN: Okay. I appreciate your

1 comments.

2 And the IRS has achieved significant progress
3 against the identity theft/tax refund fraud since the
4 formation of the Security Summit back in 2015. And
5 over the period of 2013 to 2018, the progress has been
6 reflected by a decline of confirmed identity theft/tax
7 refund fraud returns.

8 Some other indicators of that progress
9 include a 71 percent decrease in the number of
10 taxpayers reporting they were identity theft victims
11 and the IRS' protection of 24 billion -- that is with a
12 "b" -- billion dollars in fraudulent refunds and
13 financial industry recovery of additional \$1.4 billion
14 in fraudulent refunds.

15 Also, during that same period, IRS has also
16 been a reduce its year-over-year inventory backlog of
17 taxpayers who filed identity theft reports. This
18 progress reflects the continuing commitment and
19 collaboration of the members of the Security Summit.
20 The IRS, state revenue agencies, and industry have been
21 integral in the success of this project.

22 Sustaining the Security Summit's ability to

1 detect and prevent identity theft/tax refund fraud will
2 require continued engagement with existing and new
3 partners, as the deputy commissioner mentioned. Even
4 with the progress that we have continued to see, this
5 year was not without its challenges, and we have
6 recognized those challenges that the IRS has overcome.
7 First of all, the commitment and professionalism of the
8 IRS leadership and staff during the government shutdown
9 was exemplary. Notwithstanding the disruption, the IRS
10 prepared and executed contingency plans that minimize
11 the impact of the shutdown on its operations, including
12 its efforts to stop identity theft/tax refund fraud,
13 but we highly recommend that you do not do that again.
14 So if you have any control.

15 (Laughter.)

16 DEPUTY COMMISSIONER WIELOBOB: Right.

17 CHAIR WARREN: Okay. Also, the
18 implementation of the new tax laws, such is the Tax
19 Cuts and Jobs Act requires IRS resources, both to
20 implement the substantive elements of any new law and
21 also to analyze and prepare for potential new identity
22 theft/tax refund fraud opportunities created by that

1 law. However, no matter the progress, we cannot rest.
2 Given the evolving nature of this threat, we continue
3 to be concerned that identity theft and refund fraud
4 will be a challenge for some time to come.

5 ETAAC is encouraged by Commissioner Rettig's
6 priority to protect taxpayers and the tax ecosystem and
7 his recognition that the Security Summit is a terrific
8 example of what the public and private sectors can do
9 when they work together. We look forward to working
10 with Commissioner Rettig and his team in future years.

11 Now let's turn over to our report. Hopefully
12 you have our lovely 2019 report. And it contains many
13 relevant sections. So I encourage you to read it cover
14 to cover. Today, however, we will only focus on our
15 primary 10 recommendations. We have organized our
16 recommendations around three key things: first,
17 strengthening the Security Summit and the ISAC through
18 funding, participation, and membership; second,
19 improving security by establishing clear and
20 enforceable security standards; third, protecting and
21 enabling taxpayers by addressing identity proofing and
22 identity verification practices as well as tightening

1 the Taxpayer Protection Program. Our report also
2 includes an update on the IRS' efforts to increase
3 electronic filing.

4 Today, we are going to do two things. First,
5 before turning to our specific recommendations, our
6 subgroup leaders who are up here will review ETAAC's
7 engagement with the Security Summit and the progress of
8 the Security Summit working groups in ISAC to date.
9 Second, we will take a break. And then several ETAAC
10 members will provide a high level overview of each of
11 our specific recommendations for congressional or IRS
12 action.

13 With that, let me introduce our subgroup
14 leaders. We have John Ams to the far, my right; Mark
15 Steber; Joe Sica. And then, of course, Phil Poirier is
16 our vice chair. So right now, I will turn it over to
17 Joe Sica.

18 MR. SICA: Thank you, Doreen. And welcome.
19 My name is Melvin. No, no.

20 (Laughter.)

21 MR. SICA: The wrong one. I am not allowed
22 to speak extemporaneously.

1 (Laughter.)

2 MR. SICA: So I will now be sticking to the
3 script here. Okay. Thanks, Doreen, seriously.

4 My name is Joe Sica. And, as the filing
5 subgroup leader, my team is focused on the activities
6 of three Security Summit workgroups. First, the
7 authentication workgroup, they are tasked with
8 strengthening authentication by finding new ways to
9 validate taxpayers and tax return information. Second,
10 the strategic threat assessment and response, or the
11 STAR workgroup. They are tasked with addressing
12 identity theft points of vulnerability and have current
13 focus on enhancing the cybersecurity across the tax
14 ecosystem, which didn't exist when Kirsten started.
15 And, lastly, the financial services working group, they
16 are finding ways to leverage the financial services
17 industry to identify and block identity theft refunds,
18 and prevent criminals from using financial products to
19 enable their schemes.

20 It is most notable, to me at least, that the
21 banks are the last stop for the refunds, of ill-gotten
22 refunds, I should say, due to identify theft schemes.

1 So I think they are a critical part of the ecosystem.

2 These working groups made progress in several
3 areas in 2018. First, the authentication workgroup,
4 they continue to improve schemas and procedures
5 critical for reviewing tax returns. They analyze the
6 contributions of the summit's industry partners in
7 order to better discuss and guide those same industry
8 partners concerning identity theft-related data quality
9 and completeness. Data efficiency is key to everything
10 we do in fighting identity fraud.

11 Looking ahead, we expect the authentication
12 group to continue to analyze and identify additional
13 data elements for future consideration and to validate
14 EFINs, verify W-2s, and evaluate potential taxpayer
15 account lock and unlock features.

16 Next is the STAR working group. They
17 continue to work to implement the National Institution
18 of Standards and Technology, NIST as many of you know
19 it, cybersecurity framework for the tax software and
20 payroll industries. They are also establishing a
21 three-year trusted customer plan that aligns with the
22 NIST digital identity guidelines. And, looking ahead,

1 ETAAC expects that the STAR working group will continue
2 to expand the trusted customer roadmap for the payroll
3 community and to continue its focus and support for
4 improved cybersecurity education.

5 Finally, the financial services working
6 group, they continue their prevalidation initiative
7 with financial institutions. And this is preventing
8 suspect refunds from leaving the treasurer initially.
9 So that is a good filter. They have launched the pilot
10 project with the Bureau of Fiscal Services to support
11 the IRS external leads program by enhancing the not-to-
12 reject process. And, looking ahead, ETAAC expects the
13 financial services working group to continue evaluating
14 and expanding the prevalidation and BFS pilots and to
15 conduct outreach with more financial institutions
16 potentially impacted by identity theft/refund fraud and
17 expand the external leads process. Again, the banks
18 are the last stop before the money disappears. So
19 financial institutions are critical. As the front end
20 gets better, possibly the financial institutions will
21 become less important, but to the extent that things
22 slip through the cracks now, the banks are the last

1 backstop.

2 So looking at the last past few years, in
3 ETAAC, we have made several recommendations to improve
4 the business tax schema data elements as well as
5 identity proofing and authentication, including an
6 expansion of the IP PIN program. We are pleased to
7 report progress in both of those areas.

8 Nevertheless, there are still many
9 opportunities relating to our past recommendations,
10 such as integrating new communities into the Security
11 Summit and, very important, creating mechanism to
12 anticipate, not just to react to emerging cybersecurity
13 and tax-related identity theft threats; in other words,
14 putting the "s" back in strategic. We will touch on
15 some of these areas in our 2019 recommendations.

16 If I had to identify one big issue in the
17 areas that I have been discussing, I would say it's how
18 to better understand and integrate new industries and
19 expand further the existing ones into the Security
20 Summit in a most effective and efficient way.

21 For example, of both, we know that the
22 criminals are targeting the payroll companies to steal

1 data or enable identity theft/tax refund fraud schemes.
2 It would be highly effective, then, to educate and
3 integrate more payroll companies into these schemes.
4 It seems common sense, but we have to persevere and do
5 that.

6 We also know that enhancements in one area
7 can affect efficiencies in the other. For instance,
8 because of the PATH Act, increased information return
9 matching has helped identify that the existing
10 preparation software industry needs to be more
11 sensitive to how accurately data is initially entered;
12 in other words, auto-populate versus manual or fat
13 fingering, as some of us know. The more accurate data
14 is entered up front, the better efficiency and less
15 false positives of matching out the back end. So that
16 makes the whole idea of PATH Act more efficient.

17 So the IRS needs to be able to move more
18 quickly in a more targeted manner to affect these types
19 of integrations. And our 2019 report has some specific
20 recommendations concerning these areas.

21 I would like to hand off now to John Ams, the
22 outreach subgroup leader.

1 MR. AMS: Good morning, everyone. My team is
2 focused on the activities of two Security Summit
3 workgroups: the communications and taxpayer awareness
4 workgroup, which is tasked with increasing awareness
5 among individuals, businesses, and tax professionals,
6 including the payroll industry, on the need to protect
7 sensitive tax and financial information. We also work
8 with the tax professional workgroup, which is tasked
9 with examining the impact of Security Summit
10 initiatives on the tax professional community and how
11 it can contribute to the prevention of identity
12 theft/tax refund fraud. Let me first review some of
13 the progress made by these two workgroups.

14 The communications and taxpayer awareness
15 workgroup continued its "Taxpayer Security Awareness"
16 campaign, the "Taxes. Security. Together" campaign,
17 and also expanded his campaign directed at tax
18 professionals, which is the "Protect your client.
19 Protect yourself" campaign. These have been in our
20 view highly effective.

21 This workgroup also conducted its third
22 annual tax security awareness week in December of this

1 past year, expanded its outreach through social media.
2 And, looking ahead, we expect them to continue finding
3 new ways to leverage social media channels. And we
4 also know that they are going to enhance their
5 cybersecurity sessions provided at the nationwide IRS
6 tax forums that will begin shortly, in a few weeks, I
7 believe.

8 The tax professional workgroup, meanwhile,
9 continued to contribute to the development of content
10 for the IRS' tax security campaigns, also leveraged
11 social media to share the availability of continuing
12 education credit for information security courses,
13 expanded the returns for PTINs functionality on the IRS
14 website to enable preparers to spot potential misuse of
15 their PTINs. Looking ahead, we expect them to continue
16 to focus on ways to engage tax professionals to improve
17 their security posture.

18 Looking at the past few years of ETAAC
19 reports, we made several recommendations to build tax
20 professional security awareness and capability. We
21 have also recommended that IRS have a single
22 organization responsible for coordinating the

1 development and implementation of security standards
2 for tax professionals without regard to their
3 professional designation or role.

4 As Doreen mentioned, substantial progress has
5 been made. However, we should all recognize that
6 progress in one or a number of areas does not mean that
7 the cyber criminals are not busy exploring
8 opportunities in other areas. We have heard at public
9 meetings, for example, that businesses and the tax
10 professionals serving them are increasingly being
11 targeted because of the confidential taxpayer data they
12 have in their files. Consequently, if I had to
13 identify one big issue in these areas, I would say it
14 is this.

15 How can we move large disparate groups, such
16 as tax return preparers, payroll providers, return
17 transmitters, employers businesses, how can we move
18 those groups to take the necessary action to protect
19 taxpayer data and prevent identity theft/tax refund
20 fraud? As we stated in our report, the IRS cannot
21 communicate its way to a more secure tax professional
22 community, not possible. We need to move beyond just

1 creating awareness. We need to trigger action. For
2 that reason, our recommendation is that Congress grant
3 IRS the explicit authority to develop; implement; and,
4 importantly, enforce appropriate information security
5 standards and practices in the area of the tax
6 administration.

7 At this point, I would like to hand off to
8 Mark Steber, the information-sharing subgroup leader.
9 Mark?

10 MR. STEBER: Thank you, John.

11 Good morning, everyone. My name is Mark
12 Steber. I manage or help manage the information
13 subgroup working groups. This incorporates two of the
14 Security Summit workgroups: the information-sharing
15 workgroup and the Information Sharing and Analysis
16 Center, otherwise known as the ISAC.

17 The information-sharing workgroup was one of
18 the first pivotal groups of the Security Summit. It is
19 tasked with identifying opportunities for information
20 sharing to improve the collective capabilities of the
21 entire tax ecosystem for detecting and preventing ID
22 theft and tax refund fraud.

1 As Joe mentioned, the path of ID theft and
2 tax refund fraud is a long one. It starts with the
3 false filing of a tax return. And the information-
4 sharing group and the ISAC are one of the principal
5 groups for identifying information that can help
6 mitigate on the front end. A lot of stuff happens all
7 during the path, but the front-end throttles and
8 filters are critical. And the information-sharing
9 group was initially charged as part of the Security
10 Summit with collecting data and figuring out which data
11 can help better, you know, authenticate a tax return.

12 The second group and an equally important
13 group is the Information Sharing and Analysis Center,
14 commonly known as the ISAC. It is tasked with
15 centralization, standardization and enhancing the data
16 compilation capabilities of the entire ecosystem,
17 basically putting into actionable form some of the
18 information collected as part of the tax process. And
19 we will talk a little about the ISAC here in a moment,
20 but it is really important to note that it is kind of
21 the maturation of the overall Security Summit process,
22 collecting data, processing data, analyzing the data,

1 and at least preventing some of these schemes from
2 going to scale. And we have moved from a pilot program
3 to a full functional group now this year. And we will
4 talk about that in a moment.

5 But some of the important notifications for
6 the information-sharing group is that they continue to
7 refine the lead schema elements. For individuals, they
8 rolled out a new business-related identity theft schema
9 for this season. They have developed a new alert form
10 that allows ISAC members to approach very quickly the
11 rapid response team of the IRS for suspicious activity
12 and immediately take action to prevent scaling and,
13 very specifically, had a very successful year, the
14 information-sharing subgroup.

15 Going forward, we think the information-
16 sharing group will continue to assess, as they do each
17 year, a robust process of evaluating the data elements
18 to see what works, you know, what has a high target
19 success rate, what perhaps is overstepping we don't
20 need anymore. So the continued process to evaluate the
21 data elements, very important.

22 They are going to continue to explore

1 opportunities for sharing and enhancing information
2 with other stakeholders and partners. And, as we saw
3 on the Taxpayer First Act, some of those tools are
4 going to come online, hopefully this year, as part of
5 that new law, further empowering the sharing and
6 utilization of information.

7 The Information Sharing and Analysis Center,
8 again, the ISAC, it transitioned from a pilot to an
9 operational platform, which could not be overstated in
10 terms of importance. It is now a permanent member of
11 our identity theft/refund fraud prevention techniques.

12 We are very happy to report that they have
13 increased the membership to over 65 members and
14 growing, full active members in different levels. And,
15 of note, all states are now a party to the ISAC in some
16 form or fashion. And many of the team members on the
17 ETAAC that are a part of the ISAC outreach committee
18 helped to achieve that. So it was a very, very, you
19 know, probably low-profile achievement, but we have
20 many active members and are looking for more. And, as
21 Joe mentioned, we are looking to extend that outreach
22 to other business partners and payroll.

1 Looking ahead for the next year, we are
2 looking to superpower the ISAC with some of these new
3 tools that may be part of the Taxpayer First Act to
4 allow greater data sharing with financial institutions
5 and other members.

6 Another important development of the ISAC --
7 and I have been a part of this -- is they are building
8 out and expanding the skills of the ISAC participation
9 members with training and additional skill building so
10 that it is not just a tool there that exists and we
11 send data to it as part of the tax community, but we
12 learn how to use that data and we share that
13 information and training with others in our group. So
14 building out skills and, you know, allowing other
15 persons, you know, to take advantage of that, you know,
16 and expanding membership cannot be overstated.

17 And we are going to continue to explore new
18 information and data sources, including other ISACs,
19 multistate ISACs, the National Association of ISACs, or
20 government agencies, to improve the detection and
21 utilization of data and avoid false positives.

22 We are also going to continue to partner with

1 new friends and new members, as with Lynne Riley of the
2 State of Georgia, who has now been promoted to
3 treasurer. We hope she will be an ambassador to other
4 states to expand our -- you know, really to partner
5 with them.

6 And in the past, we have made several
7 recommendations along the ISAC and the information-
8 sharing workgroup. But if I were to name, as we were
9 asked to do, one big thing to focus on for the report
10 this year, I think it is some of the recommendations
11 that look to take information sharing and the ISAC
12 tools to the next level, both in training, both in the
13 detection of fraud schemes, the utilization of our data
14 to empower, you know, the system as it is and to expand
15 other members into the ISAC and to the information-
16 sharing group and the Security Summit as a whole, so
17 bringing to the next level all the tools that we have
18 set up over the last few years, utilizing the
19 infrastructure that we built, the new rules that may be
20 a party to the Taxpayer First Act or other legislative
21 changes that may happen to allow even greater use of
22 the tools and data we have to truly put tax fraud and

1 identity theft, you know, as a backburner issue for us
2 and delivery of taxpayer services being at the
3 forefront.

4 And at this point, I would like to turn it
5 back over to Doreen for some concluding comments.

6 CHAIR WARREN: Thank you, Mark. Thank you,
7 Joe, John, and Mark for your overview and thoughts. I
8 appreciate that.

9 So just some administrative things here.
10 When we return from our break -- we are quickly
11 approaching our break time. When we return, our ETAAC
12 vice chair, Phil Poirier, will facilitate our sharing
13 of more details about our specific recommendations. So
14 if you are able to stay, I would really encourage you
15 to do so.

16 But before we break, I will turn it back to
17 Deputy Commissioner Wielobob for some final comments.

18 DEPUTY COMMISSIONER WIELOBOB: Thank you very
19 much. And so let's see. My new phrase for 2019 is "We
20 are going to superpower the ISAC."

21 (Laughter.)

22 DEPUTY COMMISSIONER WIELOBOB: I am going to

1 remember that one. I will add it to my tax ecosystem.

2 I am keeping a list.

3 So thank you, guys, for the overview. And we
4 appreciate the recommendations that you made in your
5 report. And, as you know, we will consider them. And
6 where it is feasible, we will work to implement them.

7 But we do look forward to continuing the
8 partnership we have established. I hope to watch it
9 flourish, continue to flourish. As I said before, I
10 think it is a really important part of tax
11 administration. I think that it has become part of tax
12 administration, if that makes any sense. It is not
13 just an idea out there anymore, Security Summit and
14 ISAC. It has taken root. And I think that is positive
15 for all of us.

16 I appreciate the time that you guys spend
17 with us, helping us. We really value the work that you
18 put in and the recommendations that you provide to us.
19 So, again, to everybody, thank you very much.

20 With that, I think that we will break and
21 rejoin or regroup for more recommendations.

22 CHAIR WARREN: Perfect. Thank you.

1 DEPUTY COMMISSIONER WIELOBOB: Thank you.

2 (Applause.)

3 (Recess taken.)

4 VICE CHAIR POIRIER: Morning. My name is
5 Phil Poirier. I am the vice chair of ETAAC. And at
6 this stage of our meeting, several ETAAC members will
7 come up and just provide a brief oral summary of our
8 specific recommendations.

9 We are very appreciative of the hundreds and
10 thousands of hours of ETAAC volunteer hours to get this
11 report done and all of the support we got from IRS in
12 providing us with the necessary information and access
13 to staff to get our questions answered and provide
14 insights. For context, in each of the past two years,
15 ETAAC has provided approximately 20 recommendations, so
16 a total of 40 over the past 2 years. And, as we began
17 to discuss this year's report last fall, one of the
18 things we did was make a conscious decision to try and
19 reduce the number of recommendations to those specific
20 points that we thought were most important and
21 impactful. In some cases, that involved restating or
22 clarifying past recommendations as we learn more as

1 things evolve.

2 One point that I think is important to
3 recognize is that we start to finalize our report in
4 early April. So there are some developments that can
5 occur between April and the date of this meeting that
6 reflect or can impact some of our recommendations. And
7 we will try and call those out when we see them. In
8 most cases, they have been very positive developments,
9 maybe in all cases. Actually, the ones I am thinking
10 of, in all cases, they are positive developments.

11 We have organized our recommendations around
12 three themes. And you can see a summary list of the
13 recommendations on page 19 and 20, our 10
14 recommendations.

15 The first theme we have is strengthening the
16 Security Summit and ISAC. Doreen mentioned that. We
17 have five recommendations in this area. Courtney
18 Decker will summarize recommendations 1 through 3,
19 which are focused on strengthening the funding and
20 operation of the ISAC. Then Jenine Hallings will
21 summarize recommendations 4 and 5, which are focused on
22 expanding the Security Summit in connection with the

1 payroll communities and the financial services
2 companies.

3 The second theme is around improving
4 security. And we have two recommendations in this
5 area. Shannon Bond will summarize recommendations 6
6 and 7, which are focused on assessing the current state
7 of tax professional security and implementing security
8 standards, which includes authorization for IRS to do
9 so.

10 The third and final theme is protecting and
11 enabling taxpayers and other tax stakeholders. We have
12 three recommendations in this area. Lynne Riley is
13 going to summarize recommendations 8 and 9, which are
14 focused on identity verification, which is really a key
15 prerequisite to IRS being able to offer online and
16 mobile services. And, then, finally, recommendation 10
17 will be summarized by J. C. Craig, who is focused on
18 the IRS Taxpayer Protection Program.

19 Additionally, although our current focus has
20 been on identity theft/tax refund fraud and security,
21 we don't want to ignore electronic filing and the
22 progress that has been made in that area, as Deputy

1 Commissioner Wielobob mentioned.

2 The increase in electronic filing was the
3 driving force behind Congress' decision to create an
4 ETAAC back in 1998. So, to wrap up this portion of our
5 public meeting, Kathy Pickering is going to spend a few
6 minutes summarizing ETAAC's assessment of the current
7 state of electronic filing.

8 So, with that, I would like to hand off to
9 Courtney Decker, who will summarize the first set of
10 recommendations.

11 MS. KAY-DECKER: I love all the people
12 helping me up the stairs. Does everyone know that I
13 fall all of the time?

14 (Laughter.)

15 PARTICIPANT: Yes, we do.

16 MS. KAY-DECKER: So they are helping me up
17 the stairs. Yes, yes. It usually results in a broken
18 ankle. So it is probably good to have some assistance.
19 Thank you, Phil.

20 As Phil mentioned, ETAAC has five
21 recommendations along the theme of strengthening the
22 Security Summit and the ISAC. I am going to cover the

1 first three of those recommendations, which focus on
2 the ISAC itself.

3 So, as background for the ISAC for anybody in
4 the room who doesn't know what it is, it is a public-
5 private partnership on one side and a platform on the
6 other side. The partnership side consists of
7 representatives, equal representation from IRS,
8 industry, and the state revenue departments. And this
9 structure allows ISAC numbers to identify, report,
10 analyze, distribute, and act on identity theft/tax
11 refund fraud in real time.

12 The broad membership from the tax ecosystem
13 provides it with a unique ability to have visibility
14 across the entire ecosystem and, as Mark said, to
15 superpower, our ability to detect tax refund fraud
16 before money goes out and also to protect the tax
17 revenue, protect our taxpayers. So our report
18 recommends three opportunities for the continuous
19 evolution and improvement at the ISAC.

20 First, to date, funding for the ISAC
21 operations have been contingent on IRS finding funding
22 and reallocating other funds within its existing

1 budget. This contingent funding model creates
2 uncertainty for the ISAC's continued operations.

3 For fiscal year 2020, the IRS has requested
4 specific additional funding for identity theft
5 prevention. And in the recently submitted
6 congressional budget justification, our recommendation
7 1 reflects ETAAC's support for this request, which
8 would fund the ISAC as a permanent component of the
9 Security Summit. We think this appropriation is a good
10 investment that more than pays for itself because of
11 the ISAC's proven role in detecting and preventing the
12 issuance of fraudulent refunds.

13 As to recommendation 2 in the report, we
14 thank Congress for taking significant steps to help the
15 IRS and the ISAC continue to improve detection and
16 prevention of identity theft/tax refund fraud. Just
17 last week, as Commissioner Wielobob mentioned, Congress
18 passed the Taxpayer First Act on a bipartisan basis.
19 The act is on its way to the President's desk. Among
20 other things, the act gives the IRS specific authority
21 to participate in ISAC public-private partnerships.
22 Furthermore, the act amends section 6103 regarding the

1 use and disclosure of taxpayer information among
2 members of the ISAC, and those members still must agree
3 to protect that information in a similar way under the
4 other 6103 restrictions. Again, ETAAC appreciates the
5 work of Congress to address this recommendation that we
6 have had in the prior report and again in this report,
7 and these changes will significantly improve the
8 ability of the IRS and the ISAC to protect our nation's
9 taxpayers and gives us more superpowers along with our
10 cape.

11 Third, the ISAC's effectiveness rests on the
12 level and quality of member participation. We believe
13 there are two key opportunities in these areas. Now,
14 as Mark mentioned, the membership of the ISAC is
15 growing. As Joe mentioned, we need to reach out to
16 other constituencies. But, continuing to look inward,
17 we believe that there are two key opportunities in
18 terms of increasing the level of participation with
19 focused effort to educate members on how they can more
20 broadly participate and contribute to the success of
21 the ISAC. Additionally, the ISAC can improve the
22 quality of member participation by leveraging national

1 endorsing organizations to help the ISAC tailor
2 outreach and training to particular membership
3 segments. And our recommendation 3 focuses on the
4 level and quality opportunities within the ISAC.

5 With that, I am going to hand it off to
6 Jenine Hallings, who will summarize the last two
7 recommendations of this part.

8 MS. HALLINGS: Good morning. Thank you,
9 Courtney.

10 So I am going to take the group through the
11 next two sets of recommendations, number 4 and 5. They
12 focus on strengthening the Security Summit by expanding
13 its engagement with two key communities: the payroll
14 community and the financial services companies. First,
15 the payroll community is an attractive target for cyber
16 criminals, but it also has valuable insights that can
17 help detect and prevent identity theft and tax refund
18 fraud.

19 We think there are opportunities to more
20 fully integrate the payroll community into the Security
21 Summit and the ISAC. The IRS engages with the payroll
22 community in additional -- in many different ways.

1 These engagements are important, but we believe there
2 are additional opportunities that we can focus on.

3 We are recommending to understand,
4 prioritize, and integrate the payroll community. For
5 that reason, recommendation 4 calls for the IRS to
6 create a small team of Security Summit members to
7 conduct a review of the payroll community and develop a
8 plan for the community's full integration into the
9 Security Summit and the ISAC on an accelerated basis.

10 Second, the financial services companies play
11 a key role in tax administration by providing the
12 primary refund settlement vehicles for hundreds of
13 millions of taxpayers receiving the refunds. This role
14 provides them with unique insights and timely threat
15 intelligence.

16 ETAAC believes there is an opportunity to
17 leverage existing authorities for financial services
18 companies, such as the Patriot Act, to detect and
19 report criminal or fraudulent activities associated
20 with identity theft and tax refund fraud. If
21 permitted, under these laws, the IRS could enhance the
22 ISAC's information-sharing and analysis by creating

1 what ETAAC is referring to as a financial services
2 company's collaboration space, basically a platform
3 where financial services companies could share
4 information that is not currently being shared across
5 the ISAC membership.

6 This concludes our overview of
7 recommendations in part 1. I am going to hand this off
8 to Shannon Bond, who is going to summarize the next set
9 of recommendations.

10 MS. BOND: Thank you. Good morning.

11 (Laughter.)

12 MS. BOND: It is still morning. I am Shannon
13 Bond. And I am going to summarize our recommendations
14 related to security in our tax system.

15 As background, we are all well-aware that our
16 nation and its public institutions and its private
17 institutions and pretty much everyone and all of us,
18 constantly under attack by cyber criminals, the cyber
19 attacks on our nation states with these smart
20 adversaries growing in sophistication. They are smart.
21 They are persistent. They are constantly probing to
22 find the weakest links in our ecosystem, superpowered

1 or not. Increasingly, they have been targeting tax
2 professionals as well as others who hold critical
3 taxpayer information.

4 The IRS is aware of this growing threat, and
5 ETAAC has made recommendations to improve security in
6 both its 2017 and 2018 reports. Our 2017
7 recommendations focused on increasing tax professional
8 awareness of the threat and improving IRS guidance on
9 the implementation of security programs. Our 2018
10 recommendations extended that focus beyond just
11 building awareness but looking for approaches that
12 would lead to action by tax professionals. We have
13 also raised concerns about the absence of legally
14 required minimum security standards across both
15 individual and business tax as well as the payroll.

16 We are well-aware that there are questions
17 concerning the scope of the IRS' legal authority to set
18 requirements in this area and even with respect to
19 something as basic as requiring security education.
20 But the end result is to leave taxpayer information
21 more exposed to cyber criminals than it should be or
22 needs to be.

1 So we have two recommendations in this area.
2 First, we believe a prerequisite to helping tax
3 professionals improve their security is for IRS to have
4 a deeper understanding of the security posture, risks
5 and vulnerabilities of this community. For that
6 reason, recommendation 6 proposes that in collaboration
7 with the Security Summit, the IRS should develop and
8 execute a research effort to determine the state of
9 information security practices and vulnerabilities
10 within the tax professional community.

11 However, merely understanding the current
12 state is not going to be enough. The IRS needs to be
13 in a position to cause action. So given the
14 uncertainty about the legal authority, the IRS is
15 currently left to traditional outreach and education
16 approaches that influence tax professionals and
17 industry to implement information security programs.
18 IRS has made significant progress toward increasing
19 awareness and improving information and guidance on
20 security practices.

21 Oops. Joe turned the page.

22 (Laughter.)

1 MS. BOND: ETAAC has supported these efforts
2 and even offered recommendations to improve the
3 efforts. However, we realize the current approach is
4 inadequate. While IRS outreach and education programs
5 are vital, ETAAC believes that the IRS cannot
6 communicate its way to a more secure tax community.
7 ETAAC believes that sufficient progress to secure our
8 tax system cannot and will not occur unless and until
9 the IRS has clear authority to develop, implement, and
10 enforce appropriate information security standards. It
11 is for that reason recommendations 7 calls for Congress
12 to grant the IRS legal authority to develop, implement,
13 and enforce appropriate information security standards
14 and practices in the area of tax administration.

15 This concludes our overview of
16 recommendations in part 2 of our report. Yes, part 2.
17 Sorry. I am going to hand off to Lynne Riley and J. C.
18 Craig, who will summarize our final set of
19 recommendations, our third and final set of
20 recommendations.

21 MS. RILEY: Thank you, Shannon. And good
22 morning, everyone.

1 As Phil mentioned, ETAAC has three
2 recommendations focused on protecting and enabling
3 taxpayers and other stakeholders. I am going to cover
4 the first two recommendations, which focus on identity
5 verification.

6 The IRS must continue to supplement its
7 existing telephone and in-person service channels with
8 secure IRS digital and mobile services. A critical
9 first step for taxpayers to access and use these
10 electronic services rests on the ability of taxpayers
11 and other stakeholders to verify their identity. As a
12 state tax administrator, I personally observed the
13 challenges that taxpayers encountered in these identity
14 verification processes.

15 Digital identity verification requires a deep
16 understanding of the taxpayer and presents its own sets
17 of challenges in the current cyber security
18 environment. The days of relying on usernames and
19 passwords to protect sensitive information is long
20 gone.

21 Criminals have compromised so much personal
22 information from both government and private data

1 sources that even they can answer many of the private
2 questions that are posed to taxpayers during the
3 verification process. This situation has forced the
4 Federal Government to raise the bar for identity
5 verification, most recently with the issuance of
6 updated NIST digital identity guidelines.

7 These new guidelines will be challenging to
8 implement and fund on an ongoing basis. ETAAC has
9 discussed this challenge with the IRS and support IRS'
10 proactive and collaborative approach to implement the
11 new NIST guidelines.

12 However, the new NIST guidelines will place
13 an increased burden on taxpayers to verify their
14 identities. In fact, many will not be able to do so
15 digitally, which will require in-person or other
16 assisted visits to be verified. Therefore, ETAAC
17 believes that the IRS must expand its in-person
18 identity-proofing alternatives.

19 Recommendation 8 reflects ETAAC support for
20 IRS' approach to digital identity verification and
21 reaffirms our 2018 recommendation to expand the
22 availability of identity-proofing mechanisms in other

1 channels, including, for example, the implementation of
2 an IRS-trusted third party identity verification
3 program.

4 Secondly, we believe that the IRS cannot go
5 it alone in assessing and developing identity
6 verification solutions. There is an opportunity for
7 IRS to collaborate with and learn from Security Summit,
8 state and industry experts who face that same challenge
9 in delivering secure, accessible identity verification
10 alternatives, whether digital, telephonic, or in
11 person.

12 To that end, recommendation number 9
13 recommends that the IRS engage regularly with subject
14 matter experts from Security Summit members to identify
15 and potentially pilot emerging technologies or
16 approaches to verify identities across all channels.

17 I am going to hand off now to J. C. Craig,
18 who is going to summarize our final recommendation.

19 MR. CRAIG: Thanks, Lynne. As Shannon
20 described, the wholesale effect of volumes of detailed
21 personal information fuels the identity theft/tax
22 refund, and it makes distinguishing fraudulent from

1 legitimate returns difficult for the IRS.

2 I think it is important to take a step back
3 and realize that the victims of identity theft/tax
4 refund fraud are often our most vulnerable taxpayers:
5 low-income, elderly. I think often when we sit down as
6 a committee, we come back to this is about protecting
7 taxpayers, and that is our first priority. I think it
8 is important that we actually state that here because
9 we haven't said it explicitly. These are the taxpayers
10 who can often least afford to lose their refunds to
11 identity theft.

12 The IRS has taken numerous actions to
13 mitigate the impact of identity theft/tax refund fraud
14 on legitimate taxpayers. One such action is an
15 implementation of the Taxpayer Protection Program. The
16 purpose of the Taxpayer Protection Program is to screen
17 returns for indications of identity theft/tax refund
18 fraud early in the IRS return submissions process, then
19 to verify that the return was filed by the affected
20 taxpayer. These contacts involve the IRS notifying the
21 affected taxpayer by mail that they must take further
22 action to authenticate themselves and clear their

1 return.

2 Depending on the circumstance, that
3 authentication may be accomplished digitally, by phone,
4 or in person. Upon satisfactorily authenticating, the
5 taxpayer's return is released for further processing.

6 The IRS asked ETAAC to review the Taxpayer
7 Protection Program to identify possible improvements to
8 the taxpayer experience. In response, ETAAC had
9 several discussions with the IRS about the program and
10 reviewed other reports on the subject, most notably
11 from TIGTA and the National Taxpayer Advocate. For
12 context, about 2 million returns annually are selected
13 for the tax Protection Program, or just over 1 percent
14 of all individual returns.

15 ETAAC sees two big challenges for the
16 program. First, the program has a relatively high
17 false positive rate. The second, the program has a
18 relatively high rate of nonresponders; that is,
19 taxpayers who do not respond to the IRS communication.
20 Of course, some recipients will not respond to the IRS
21 because they are cyber criminals.

22 ETAAC is focused on the second challenge, how

1 to reduce the number of nonresponders or, said another
2 way, how to ensure all legitimate taxpayers respond to
3 the two Taxpayer Protection Program communications and
4 receive their refund with minimal disruptions.

5 Although there is no silver bullets, we
6 believe there are opportunities to increase the
7 response rate of legitimate taxpayers and improve the
8 taxpayer experience with the program. Our view is that
9 the Security Summit workgroups and the ISAC provide a
10 forum to gain state and industry insights that could
11 identify actions to improve the response rates.

12 We believe that the approach is consistent
13 with the recommendations to the taxpayer and the
14 taxpayer advocate's 2018 report to Congress.

15 ETAAC's recommendation number 10 formalizes
16 our belief that the IRS could should collaborate with
17 the Security Summit, the ISAC members to identify
18 actions to increase the rate of legitimate taxpayer
19 responding to the Taxpayer Protection Program.

20 This concludes our overview of ETAAC's 2019
21 recommendations. I am going to hand off to Kathy
22 Pickering, who will review the state of electronic

1 return filing.

2 MS. PICKERING: Thanks, J. C.

3 I am Kathy Pickering. And I use have to make
4 a few personal comments. I am just so honored to serve
5 with each of you on ETAAC committee. You are all just
6 such amazing professionals.

7 And I am really proud of our report this
8 year. Under your leadership, Doreen and Phil, I just
9 think we have come up with such a quality product. You
10 are just so amazing in the support that you provide us.
11 And it is just it is really exciting to see it all, you
12 know, come together at this moment. So excuse me.

13 (Applause.)

14 MS. PICKERING: I am sure you all feel as
15 proud as I do. I mean, this is a lot of hard work, a
16 lot of time, the eight-hour phone calls during the
17 government shutdown.

18 (Applause.)

19 MS. PICKERING: You know? And to see it all
20 come together today is something we should all feel
21 really proud of.

22 So, with that, since its inception, the

1 primary focus of ETAAC was on increasing electronic
2 filing. And when Kirsten talked about the original
3 goal of trying to hit 80 percent as such a high hurdle,
4 it is astounding to think of how far we have come.

5 ETAAC has consistently measured the progress
6 of electronic filing using a subcategory of IRS major
7 returns. Using that metric, ETAAC assesses that IRS
8 continues to maintain the overall e-file rate for major
9 returns just above 80 percent.

10 Individual returns continue to be
11 electronically filed at very high rates, approaching 90
12 percent, which we originally thought was impossible.
13 So that is amazing. Corporate, partnership, and
14 fiduciary return rates range from 81 to 87 percent.
15 However, employment returns are currently e-filed at
16 about a 45 percent rate. Although their e-file rate
17 has increased, employment returns continue to represent
18 the best opportunity to increase overall IRS e-filing
19 percentages.

20 Looking ahead, there are both potential
21 opportunities and uncertainties that affect electronic
22 filing. On the opportunity side today, amended returns

1 can only be paper-filed. That is an additional 3.9
2 million returns. IRS has identified a potential
3 timeframe for implementing e-filing of form 1040X,
4 which is the amended return.

5 The IRS partnership with industry and states
6 will be critical to having successful e-file efforts
7 around amended returns and is something that we are
8 really excited about.

9 On the uncertainty side, the impact of the
10 TCJA or tax reform on IRS e-file projections is still
11 an unknown. It is apparent, for example, that the
12 increase in the basic exclusion amounts may reduce the
13 number of gift and estate tax returns that need to be
14 filed in the future.

15 And we also noticed an increase in extension
16 filing, which impacts the timing of when returns are
17 filed. The number of extensions filed through May has
18 increased by 8 percent over last year. While this may
19 not materially affect the e-filing rate, it does impact
20 the timing of returns. While there is not one specific
21 issue that is driving this, there are a couple of
22 factors that may be contributing to the trend.

1 First, taxpayers with more complicated
2 returns waiting on K-1's and related information appear
3 to be filing extensions due to the uncertainties of
4 when they are going to be receiving the documents that
5 they need in order to file their returns.
6 Additionally, this year, some taxpayers are waiting to
7 see if the expired extender provisions get passed and
8 waiting until the end of the season so that they can
9 take advantage of specific provisions there.

10 And, with that, this concludes our review of
11 ETAAC's recommendations and the current state of
12 electronic filing. I am going to hand off to our
13 chair, Doreen, to close this portion of the public
14 meeting.

15 (Applause.)

16 CHAIR WARREN: So thank you, Phil, Courtney,
17 Jenine, Shannon, Lynne, J. C., and Kathy. Kathy
18 couldn't have said it better that this has been an
19 awesome team to work with over the year. So thank you
20 for that, Kathy.

21 So that is the summary of our 10
22 recommendations that we have in this year's report.

1 Not to put any of our IRS colleagues on the spot, but
2 if you have any initial reactions or comments you would
3 like to share, this is your opportunity. Mike? Terry?

4 MR. LEMONS: I will take closing if you want
5 to go first, Mike.

6 MR. BEEBE: Okay. I have some comments. So
7 I certainly appreciate the opportunity. First off, I
8 just want to take an opportunity to thank the ETAAC
9 members for your tireless work and dedication to combat
10 identity theft. In particular, I want to thank Doreen
11 as the chair and Phil as the co-chair. Thank you.

12 Also, there are several members that serve on
13 ETAAC but also participate actively in the Security
14 Summit. So I definitely want to recognize Kathy, Gene,
15 Lynne, Joe, and Mark. So thank you for your work, your
16 dual role on ETAAC and the Security Summit. In
17 particular, I want to recognize some folks that are the
18 rolling-off members from the ETAAC; in particular,
19 Shannon, who served as the -- serves as the co-lead on
20 the tax professional team; and also Doreen, who was a
21 founding member for that information-sharing work team.
22 So thank you, Doreen, and then also Courtney, who was

1 an ISAC senior executive board chair. So thank you
2 very much.

3 You know, these recommendations help us
4 provide areas of focus and strategic direction and to
5 work those recommendations within the Security Summit.
6 I don't think it is a coincidence that since we have
7 stood up the Security Summit, the ISAC, and began
8 receiving recommendations from the ETAAC that we have
9 been able to really do an amazing job, had significant
10 impact on combating identity theft.

11 You know, we are better positioned than where
12 we were four years ago. We have seen less come into
13 the tax ecosystem. And what makes it in the tax
14 ecosystem, we are better able to identify and prevent
15 individuals from becoming victims of identity theft.

16 I definitely want to thank the ETAAC members
17 also for taking a look at the Taxpayer Protection
18 Program, you know, because, as J. C. mentioned, we do
19 have legitimate taxpayers that are caught into that,
20 you know, process and need to authenticate. So
21 whatever we can do to improve the customer experience
22 for a legitimate taxpayer, we certainly want to do

1 that. So we will be looking at the suggestions that
2 you have provided us there.

3 So, again, I just want to take the
4 opportunity to thank all of you, again, for all of the
5 work that you have done as ETAAC members and look
6 forward to working with the Security Summit members to
7 implement these recommendations. So thank you.

8 MS. DAVIS: All right. So I would also like
9 to thank you for recognizing the value of the ISAC and
10 now our superpower.

11 (Applause.)

12 MS. DAVIS: We have known that the potential
13 is always there. And, of course, as we grow into
14 maturity. So I appreciate the recommendation and the
15 focus that you spent on the ISAC. I also want to thank
16 both ETAAC, the Security Summit, and folks that have
17 been very active with the ISAC and helping us get the
18 legislation that is needed to expand our disclosure
19 requirements. That is a feat. We have legislative
20 recommendations. Sometimes they take years and never
21 happen. This has gone from 0 to 60 in our timeframe
22 very, very quickly. So the trusted third party in

1 Mitre organization and our counsel, you know, are
2 already excited about taking on what does that mean in
3 terms of practice. So thank you very much for that.

4 I also want to recognize that all of the
5 different industry and state sectors are very valuable.
6 The input and the data and the contribution, both to
7 the ISAC and the Security Summit, are extremely
8 important. So we look forward to trying to figure out,
9 you know, how to bring all of that together because we
10 are still -- everybody is working through a myriad of
11 disclosure privacy requirements. So how do we make
12 best use of the data contribution across the multiple
13 different sectors. So thank you very much. We look
14 forward to working with ETAAC next year as well as
15 working on these recommendations. So thank you.

16 MR. KILLEN: Good morning. On my end, I will
17 be brief. I just want to echo the comments expressed
18 by everyone. You all are outstanding partners. And I
19 think, you know, ETAAC is really symbolic of the power
20 of collaboration, the power of true partnership. And I
21 think you play a vital role in helping to bring
22 intellectual thought to some very difficult issues that

1 we have.

2 So thank you for your time, for your
3 participation, for your engagement, for your
4 commitment. I know many of you personally, and you all
5 are just an outstanding collection of people. So thank
6 you for the service that you are providing to Tax
7 Administration and to our taxpayers because I think
8 this is a critically important partnership. The
9 recommendations are very thoughtful, as they always
10 are. So we appreciate that. And, again, you know,
11 from my perspective, I appreciate your ability to
12 tackle and your willingness to tackle tough issues.
13 You know, these are not simple issues.

14 You think about identity proofing. You think
15 about security. You think about trying to expand the
16 circle of collaborative partners. And, you know, it
17 would be easy to just sort of overlook the things that
18 are discrete, complicated issues and focus on sort of
19 the high-level, more simplistic ones. So I appreciate
20 your ability and your willingness to tackle these
21 issues and help us, you know, chart a path forward. So
22 thanks so much.

1 MR. LEMONS: All right. I am Terry Lemons,
2 over Communications and Liaison. It is a tough act to
3 follow our IRS team leads here as well as the members
4 of ETAAC group, some really great thoughts there.

5 My organization kind of has an interesting
6 role in all of this. We kind of have -- we have a role
7 in the Security Summit, helping out with communications
8 and outreach. And our group here basically works with
9 ETAAC. Our national public liaison organization, Mel,
10 John, Mike Deneroff, and our other staff play a
11 critical role on this. So it is a really kind of
12 interesting vantage point.

13 A couple of things I would just kind of like
14 to note. You know, the other speakers have noted the
15 Security Summit effort and the ETAAC really are an
16 amazing example of private-public partnership. And,
17 you know, there is a lot of stereotypes about
18 government and like what doesn't work. You hear about
19 that a lot, but when something does work, it is
20 amazing. And I think the ETAAC and the summit has been
21 a great reflection of that. It makes a real -- you
22 know, now I have got a musical background if you know

1 what the tunes are.

2 (Laughter.)

3 MR. LEMONS: But it has really been amazing
4 to watch this unfold. And one of the things
5 particularly -- and we feel like, you know, this is
6 kind of a -- you know, we are passing a milestone here
7 with some of the members going off the ETAAC group.
8 When we repurposed the ETAAC to go beyond that
9 originally focus on e-file, we were a little nervous.
10 It is like, you know, is there enough there? You know,
11 will the ETAAC be able to actually, you know, work in
12 tandem with the Security Summit? And, again this year,
13 looking through these recommendations, I think the
14 answer is a resounding yes.

15 And I will say a lot of times, you know,
16 these government reports, advisory committees will do
17 reports and they go up on a shelf and they collect
18 dust. The ETAAC report is not one of those. My team
19 goes back and refers to it frequently. It is helping
20 drive our operations on the communications team.

21 Again this summer, we will have a series of
22 news releases focused on educating tax professionals,

1 which, you know, pulls off a previous ETAAC
2 recommendation. We will be using that as a springboard
3 for the nationwide tax forums that are coming up,
4 starting here in a few weeks here at National Harbor.

5 So and even this year's report, just glancing
6 through it, the concise summary that you all did on the
7 payroll entity, it is going to be recommended reading
8 for my outreach guys because it is it is a really nice,
9 tight, concise example of some of the, you know,
10 challenges of getting out to the payroll and the
11 employer communities, so a really nice concise thing.
12 So we are going to put that to work very quickly there.

13 You know, the other thing I will just note is
14 that, you know, we just really appreciate everybody's
15 work on it. We do feel like a little bit as we look at
16 the parting members, it is kind of a milestone. This
17 group of people really had a huge effect, not just on
18 ETAAC but the Security Summit. And we look forward to
19 them kind of continuing: John Ams; Shannon Bond; John
20 Breyault -- I always mess that last name up -- Angela
21 Camp; J. C. Craig; Courtney Kay-Decker, of course; as
22 well as Doreen Warren, who has kind of been I think

1 kind of the glue, it seems like. Whenever there is
2 something interesting going on, Doreen always seems to
3 be at the middle of it.

4 (Laughter.)

5 CHAIR WARREN: That is not necessarily good.

6 MR. LEMONS: So, really, on behalf of our
7 team leads and the commissioner, who was unable to be
8 here today, as well as Deputy Commissioner Wielobob, we
9 just really want to thank you all for, you know, all
10 the thought, time, dedication, and everything else. It
11 really is making a difference.

12 CHAIR WARREN: Okay. Well, thank you for
13 those comments and summary of where we are and where
14 you intend to go. We appreciate that. And over the
15 last three years with ETAAC, we recognize truly how
16 seriously you guys take the report. And we appreciate
17 that, that partnership, as well.

18 So, as we close this phase of the meeting, I
19 get to share a few thoughts. And I have mine written
20 so I don't mess anything up.

21 So, as you have heard, I have been with the
22 Security Summit from the very beginning. Actually,

1 before it officially began, I was part of the fight
2 against tax refund fraud. So I have been able to
3 witness from the very beginning and see firsthand the
4 steady increase of collaboration, trust, and respect as
5 a government and private industry. And it wasn't
6 always fun or easy, but we have made significant
7 progress.

8 So this collaboration was needed to build
9 that solid foundation that is currently in place with
10 the goal to protect taxpayers and the integrity of the
11 tax filing system, or tax ecosystem like we fondly call
12 it. And this effort will continue to bear fruit as
13 long as all of the stakeholders find value and continue
14 building on that collaboration and also to stay focused
15 on that common objective.

16 As the current ETAAC chair, I am very proud
17 of the ETAAC members that you see before you isolated
18 in their corner --

19 (Laughter.)

20 CHAIR WARREN: -- and especially those who
21 have rolled off. We have mentioned their names several
22 times. Just I really appreciate the team, the

1 professionalism, and the commitment to do the right
2 thing.

3 But as I turn over the role to Phil Poirier,
4 I know that next year, the continuation of
5 professionalism and commitment will continue on. So as
6 I fade off into the sunset --

7 (Laughter.)

8 CHAIR WARREN: -- I leave knowing that it is
9 in capable and very good hands.

10 So that really concludes this portion of the
11 meeting. I think there are some media people here. If
12 you have any questions, I am free to answer those. And
13 I just thank you for your time this morning, and Phil
14 will see you next year.

15 (Applause.)

16 CHAIR WARREN

17 MR. HARDY: That concludes our meeting today.
18 Thank you for coming. And please put your hands
19 together and congratulate the new chair, Phil Poirier.

20 (Applause.)

21 (Whereupon, at 10:34 a.m., the meeting was
22 adjourned.)

2 Approved:  Date: 8/9/2019

3 Doreen Warren, ETAAC Chair

4

ETAAC AGENDA -- TUESDAY, MARCH 19, 2019

ROOM: 2140

Time	Duration	Topic	Goal/Presenter/Facilitator
8:30 – 9:00	30 min	Check in & Coffee	
9:00 – 9:30	30 min	Welcome & Kick-off NPL & ETAAC Chair	Review meeting goals/agenda
9:30 – 10:30	60 min	Cybersecurity and STAR WG (Topics/questions attached)	Robert Cox, IRS Cybersecurity
10:30 – 10:45	15 min	Break	
10:45 – 11:45	60 min	Review Report Structure (current draft attached)	Doreen Warren, ETAAC Chair
11:45 – 12:30	45 min	Lunch	
12:30 – 1:00	30 min	Review and Discuss Environment Section	All (Phil facilitate)
1:00 – 1:45	45 min	Review and Discuss Recommendation Mapping to Security Summit	All (Phil facilitate)
1:45 – 2:00	15 min	Break	
2:00 – 3:00	60 min	IRS Strategy and Priorities/Vision for the Security Summit (Topics/questions attached)	Ken Corbin, W&I Mike Beebe, W&I
3:00 – 5:00	120 min	Review and Discuss Part I of Detailed Recommendations	All (Phil facilitate)

ETAAC AGENDA -- WEDNESDAY, MARCH 20, 2019

ROOM 2140

Time	Duration	Topic	Goal/Presenters
8:30 - 8:45	15 min	Morning Kick Off NPL & ETAAC Chair	
8:45 – 10:15	90 min	Review and Discuss Part II of Detailed Recommendations	All (Phil facilitate)
10:15 – 10:30	15 min	Break	
10:30 – 11:30	60 min	IDTTRF Discussion (Topics/questions attached)	Mike Beebe, W&I Denise Davis, W&I
11:30 – 12:00	30 min	Working Lunch	
12:00 – 1:30	90 min	Review and Discuss Part III of Detailed Recommendations	All (Phil facilitate)
1:30 – 2:00	30 min	Meeting Wrap up & Next Steps	Doreen Warren, ETAAC Chair

Robert Cox: STAR WG & Cybersecurity Direction & Strategy

Focus: Current state of the STAR WG activities & engagement, update on evolving threat, etc.

- Update on STAR Subgroups
 - Tax Subgroup:
 - Desired outcome for subgroup?
 - Current focus & initiatives, progress, % participation in controls and self-assessments, etc.
 - Status of emerging policy issues (See ETAAC 2018 Report, pps. 25 – 26)
 - Controls Implementation: Required vs. Voluntary
 - Assessment Model: Self or/and Independent Assessments
 - Compliance Model: Validation & Enforcement
 - State engagement & dynamics, e.g., impact of state “E-file LOI requirements”
 - Payroll Subgroup:
 - Desired outcome for subgroup?
 - Current focus & initiatives, progress, % participation, etc.
 - How do we get the right focus and alignment?
- Update on the cybersecurity threat
 - What is new or evolving in the threat?
 - How are we leveraging STAR WG to conduct exercises, etc. to anticipate threat vs. react to threat?
- Generally
 - What do you feel good about?
 - What concerns you most?
- How can ETAAC help?
 - Educating Congressional staff on challenge? Additional funding...how much and for what?

Ken Corbin & Mike Beebe: Vision & Outlook for Security Summit

Focus: Current state of the Security Summit activities & engagement, including sustainability of the critical activities and anticipation of future threats.

- Future direction and challenges of the Security Summit (and ISAC)
- IRS’s strategy and priorities for the Summit – how are these set, resourced and managed (and by whom)
- Outlook for future IRS staffing and resourcing of the Summit
- Concerns about sustaining engagement within IRS with other stakeholders

Mike Beebe & Denise Davis: IDTTRF Strategy

Focus: Current state of the Security Summit activities & engagement, including sustainability of the critical activities and anticipation of future threats.

1. Review IRS IDTTRF Strategy
2. Benchmarking IDTTRF and Security Summit
 - a. IDTTRF Performance Data
 - b. List of Security Summit and ISAC accomplishments
 - c. Current focus areas or priorities for each of the Security Summit WG's and the ISAC. This can be pretty high level. We just want to make sure we're aligned on what we think folks are working on.

3. Other topics:

a. Tax Cuts and Jobs Act:

- i. Did the IRS have the ability to evaluate potential areas for fraud related to the new legislation?
- ii. If so, any insights they're willing to share with ETAAC?
- iii. How did the timing for implementing the legislation impact the readiness of the fraud filters?

b. Government Shutdown

- i. How did the government shutdown affect the implementation and testing of the processing system and fraud filters prior to the beginning of the tax filing season?
- ii. Knowing that the government shutdown ended days before the beginning of filing season, what were the initial findings in the first weeks of the filing season
- iii. How did the government shutdown affect the IRS from addressing ETAAC's inquiries?

c. Proactive approach to fraud prevention

- i. What is the IRS's vision on identifying future IDTTRF threats?
- ii. Is there a connection between the STAR Working Group and the ISAC to collaboratively identify future IDTTRF threats?

2019 REPORT SECTIONS – INITIAL

Structure & ordering is nominal....may change and/or consolidate

SECTION	STATUS
Cover Page	
List of ETAAC Members	Done
Letter from Chair/Vice Chair	Start development after March meeting
Executive Summary	Start development after March meeting
Table of Contents	
About the IRS Security Summit	Replicate last year & update
Progress Toward 80% Efile Goal	Replicate last year & update
Progress Towards 2017 -2018 Recommendations	TBD on approach...
Summary List of ETAAC 2019 Recommendations & Security Summit Mapping	First draft...finalize when reco's are final.
The IDTTRF and Security Environment	First draft
Detailed ETAAC 2019 Recommendations with Supporting Details	First draft
Appendix A: About ETAAC	Replicate last year & update
Appendix B: ETAAC Member Biographies	Update for new members and change
Appendix C: E-file Analytical Methodology	Replicate last year & update

ETAAC AGENDA -- TUESDAY, NOVEMBER 5, 2019

ROOM: 2116

888-331-8226 ACCESS CODE 356-3790

Time	Duration	Topic	Presenters/Facilitators
8:00 - 8:30	30 min	Clear security, assemble & coffee	<i>Cafeteria</i>
8:30 – 9:00	30 min	Admin, Intros, Operating Guidance (Role, SS WG engagement, ...) & Meeting Agenda/Expectations	IRS NPL ETAAC Chair
9:00 – 9:30	30 min	*Discussion #1: Communications & Tax Professional Work Groups	Carol Campbell, RPO
9:30 – 9:45	15 min	Break	
9:45 – 11:00	75 min	*Discussion #2: IRS IDTTRF Strategy Overview and Business Fraud	In Person Denise Davis W&I (RICS) Theresa Rossi-Franzke, W&I (RICS) Jamie Shaw, W&I (RICS) On Phone Mike Beebe, W&I (if available)
11:00 – 12:00	60 min	*Discussion #3: ISAC/Information Sharing	In Person Denise Davis, W&I (RICS) Theresa Rossi-Franzke, W&I (RICS) Andy Dzielwski, Mitre (Trusted Third Party) Lisa Beard, TFAO (POC) On Phone Allen Miller, W&I (RICS) Geoff Gerbore, W&I (RICS) Matt Gamble, W&I (RICS) Terri Parks-Thompson, W&I (RICS)
12:00 – 1:00	60 min	Working Lunch...TFA prep discussion & Security Summit Assessment	ETAAC Chair
1:00 – 2:00	60 min	*Discussion #4: STAR/Cybersecurity	Robert Cox, Cybersecurity Matt Rogers, Cybersecurity Sara Chu, IRS Contractor Sidney Gibson, MITRE Bob Pivoris, STAR Ind. Co-Lead (Tax) Lewie Dunsworth, STAR Ind Co-Lead (Tax) Jenine Hallings, STAR Ind. Co-Lead (Payroll) Raja Sambandam, STAR State Co-Lead (Tax)
2:00 – 2:45	45 min	*Discussion #5: Tax Professional Data Breaches & EFIN Management	In Person Denise Davis, W&I (RICS)

			Theresa Rossi-Franzke, W&I (RICS) Jamie Shaw, W&I (RICS) On Phone Matt Gamble, W&I (RICS) Virginia Busby, W&I Anne Freeman, W&I Juanita Weller, W&I CAS SP Kevin Hatton, W&I CAS EPSS
2:45 – 3:00	15 min	Break/Room Transfer	
3:00 – 5:00	120 min	**Topic Team Break-out Sessions #1	Topic Team Leaders

**See Attachment #1 for Discussion Details*

*** See Attachment #2 for Breakout Session Details (Topic Team and Room #'s)*

ETAAC AGENDA -- WEDNESDAY, NOVEMBER 6, 2019
ROOM 2116
888-331-8226 ACCESS CODE 356 3790

Time	Duration	Topic	Presenters/Facilitators
8:00 - 8:30	30 min	Clear security, assemble & coffee	Cafeteria
8:30 – 10:00	90 min	**Topic Team Break-out Sessions #2	ETAAC Chair
10:00 – 10:15	90 min	Break/Reassemble Main Meeting Room	
10:15 – 11:30	75 min	***Topic Teams review proposed Game Plans with full ETAAC <ul style="list-style-type: none"> • Authentication • STAR/Cybersecurity • Information Sharing & ISAC 	ETAAC Chair & Topic Team Leaders (20-30 minutes per Topic Team)
11:30 – 12:00	30 min	*Discussion #6: Communications Work Group	Terry Lemons, C&L
12:00 – 12:30	30 min	Working Lunch	
12:30 – 1:30	60 min	***Topic Teams review proposed Game Plans with full ETAAC (con't) <ul style="list-style-type: none"> • Financial Services • Tax Professional & Communications 	ETAAC Chair & Topic Team Leaders (20-30 minutes per Topic Team)
1:30 – 2:00	30 min	Meeting Wrap up: Review next steps and deliverables	ETAAC Chair

**** See Attachment #2 for Breakout Session Details (Topic Team and Room #'s)**

***** After each Team's Breakout session, the Topic Team Leader will prepare a "proposed game plan" for full ETAAC Review. The game plan will be based on a standard template that presents the team's key initial learnings and hypotheses, proposed focus on "high impact" critical few areas and proposed actions/deadlines to meet deliverables due at the January ETAAC meeting. The proposed game plan will be made timely available to IRS on the morning of Day #2 to enable copying before ETAAC's full review – it's OK if it's handwritten or a little rough – we just need something in writing to review and discuss.**

ATTACHMENT #1: Discussion Details

Discussion #1: Communications & Tax Professional Work Groups



ETAAC Tax
Pro_Comms Work Gr

Discussion #2: IRS IDTTRF Strategy Overview and Business Fraud

Review emerging IDTTRF risks and schemes issues and overall IRS IDTTRF Strategy (pre-read) – generally
Drill into developing risks and schemes relating to business tax system:

- Across all types of “business returns”
 - Business income tax returns, e.g., 1120, 1065, K1s, etc.
 - Employment returns, e.g., Form 94X filings
 - Information returns, e.g., Form 1099’s Miscs, 1099 Div, 1099 Int, 1099 B, W-2s, ...
 - Provide insights on volumes and trends, including return #’s and refund \$\$ quantities, YOY comparisons & trends, etc.
- Current “business tax” prevention or mitigation initiatives or plans, e.g., expanding business return schema information, moving from optional to mandatory collection, etc.
- EFIN management – submission, validation, termination, reissuance, etc.

[Time Permitting] Update on initiatives to improve TPP experience generally – reduction of false positives, increasing communications taxpayer response rates to TPP communications, leveraging third parties to facilitate taxpayer awareness and response (e.g., tax professionals, software companies), etc.
How can ETAAC help?

Discussion #3: ISAC/Information Sharing



ETAAC - ISAC
presentation Novemb

Discussion #4: STAR/Cybersecurity

Review current focus and direction of STAR WG and its subgroups – Tax Software, Payroll, Tax Professionals

- Tax Software: Progress on NIST controls implementation, self-assessment participation rates/effectiveness, development of tools/templates; Emerging/potential issues: mandatory or “spot check” third party reviews/audits, disclosures to states on self-assessments, etc.
- Payroll: Focus, participation and progress; Thoughts on ETAAC 2019 “payroll” recommendations & observations
- Tax professionals: Is and, if so, how is STAR WG integrating “tax professional” security into its WG efforts?
 - Any IRS discussion to “centralize” development of security education programs or standards in a single IRS organization with distribution/implementation through appropriate “tax pro” channels (RPO, OPR, EPSS, SPEC)
- How is STAR moving to a more “proactive” posture?

- What if the security controls were fully implemented – what’s next...what’s beyond security controls?
 - What does the concept of “active defense” mean...and what is STAR doing in that regard?
 - How is STAR addressing typical or emerging threats, e.g., email spear phishing, credential stuffing, etc.
How is STAR implementing “forward looking” security-related op mechanisms, e.g., cyber red team – *going to where the puck is going to be?*
 - How can STAR participants leverage existing security programs more effectively, e.g., InfraGard & MS-ISAC ?
 - How is IRS partnering with FTC on security education, tools and guidance?
 - What does IRS believe its role is or should be in Cybersecurity area vis-à-vis the overall tax ecosystem?
 - Should IRS have the authority to set and enforce security requirements, or should FTC retain the lead?
 - If IRS should have authority, what are barriers or requirements, e.g., org structure, resources, competencies?
 - Who is responsible inside of IRS for setting and implementing security educational requirements?
- How can ETAAC help?

Discussion #5: Tax Professional Data Breaches



ETAAC Tax Pro
Breach Discussion 11

ATTACHMENT #2: CONCURRENT BREAK-OUT SESSIONS (SME Discussion details also below)

Breakout Session Desired Outcome: Have IRS SME discussions (where applicable), narrow Topic Team focus to proposed “high impact” critical few areas, develop proposed game plan with deliverables and dates and, time permitting, begin work.

Day	Time	Topic Team Room 3018 Tanya	Topic Team Room 3115 Brian	Topic Team Room 3411 Stephanie
#1	3:00 – 5:00	<u>Team: Authentication</u> <u>SME Discussion:</u> Yes (below) <u>Primary Members:</u> <ul style="list-style-type: none"> Daniel Eubanks John Kreger Suzi Kruger Mark Steber <u>Additional Attendees:</u> <ul style="list-style-type: none"> Latryna Carlton Larry Gray Mike Jackman IRS In Person Lamar Singletary, W&I On Phone Lizette Salas-Santos	<u>Team: STAR & Cybersecurity</u> <u>SME Discussion:</u> No <u>Primary Members:</u> <ul style="list-style-type: none"> Julie Magee Jenine Hallings Phil Poirier Laura Macca <u>Additional Attendees:</u> <ul style="list-style-type: none"> Gene Salo Kathy Pickering Luanne Brown 	<u>Team: Financial Services</u> <u>SME Discussion:</u> Yes (below) <u>Primary Members:</u> <ul style="list-style-type: none"> Joe Sica Cynthia Rowley John Sapp Matt Vickers <u>Additional Attendees:</u> <ul style="list-style-type: none"> Ada Navarro Lynne Riley <i>Note: John Sapp to facilitate in Joe’s absence</i> <u>IRS In Person</u> Theresa Rossi-Franzke, W&I Sharon Stetler, W&I
#2	8:30 – 10:00	<u>Team: Info Sharing & ISAC</u> <u>SME Discussion:</u> Yes (below) <u>Primary Members:</u> <ul style="list-style-type: none"> Lynne Riley Luanne Brown Ada Navarro Kathy Pickering <u>Additional Attendees:</u> <ul style="list-style-type: none"> John Kreger Suzi Kruger Julie Magee Cynthia Rowley John Sapp Joe Sica Matt Vickers 	<u>Team: Tax Pro & Comms</u> <u>SME Discussion:</u> No <u>Primary Members:</u> <ul style="list-style-type: none"> Gene Salo Latryna Carlton Larry Gray Mike Jackman <u>Additional Attendees:</u> <ul style="list-style-type: none"> Daniel Eubanks Jenine Hallings Laura Macca Phil Poirier Mark Steber 	n/a

Day #1: Breakout Session SME Discussions:

Authentication Topic Team: Discuss current priorities for Authentication Work Group <ul style="list-style-type: none"> Application of NIST 800-63-3 “authentication” requirements to industry applications Status of initiatives to enhance taxpayer protection , e.g., release of Account Lock/Unlock functionality, expanded efile schemas, expanded IP PIN availability, etc. 	
Financial Services Topic Team: Get update on: IRS’s strategy and progress in targeting and recruiting “more [correct] banks” including process to sign them up; status of pre-validation functionality and program expansion; and, status of R17 program.	

Day #2 Breakout Session SME Discussions

Information Sharing & ISAC Topic Team: Review current Fed/State Program procedures to import 1099 data and distribute it to states; and resources that would be required to perform this function on a “real-time basis”	
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TAX PROFESSIONAL DATA BREACH DISCUSSION
ETAAC NOVEMBER 5, 2019 2:00 PM

DISCUSSION FOCUS:

- Understand policies and procedures associated with tax professional data breaches
 - Current statistics and trends
 - Reporting requirements, e.g., federal requirements (mandatory? voluntary?), how communicated to tax pros, level of awareness of tax pros, IRS connections to other law enforcement agencies such as FBI, state requirements & IRS engagement in event of breach, ...
 - Reporting procedures for tax pros to “self-report” breaches, e.g., what data is reported, to whom and how it used including any taxpayer remediation, ..
 - IRS procedures when it becomes aware of a “non-self-reported” breach, e.g., pro may or may not have known of issue, associated policies (e.g., amnesty for self-reporting or not), ...
 - Insights into knowledge of tax professionals about breach reporting, e.g., awareness and knowledge of what to do when reporting a breach to the Stakeholders Liaison office
- How does IRS handle remediation in event of breach, e.g., notification to taxpayer, EFIN re-issuance when a breach occurs, etc.
- EFIN management – submission, validation, termination, reissuance, etc.

KEY ISSUES/QUESTIONS:

Stakeholder Liaison Office, Maggie Romaniello

- Can you give a brief overview of how the Stakeholder Liaison Office is involved in the Preparer Breach process?
- Can you provide year over year statistics/trends
 - Number of self-reported breaches
 - Number of breaches from other sources (CI/RICS/States)
- Are the preparers reporting a breach doing so because of contact/suggestion with (CI) or are they initiating self-reporting?
- Do preparers self-reporting a breach understand the process? How did they become aware of breach reporting? Do they fully comply with your requests?
- How would you evaluate the overall process?

RICS, Matthew Gamble

- How is RICS involved when a potential preparer breach has occurred
 - When it is reported to SHL by the preparer.
 - When it is suspected by other means (not reported by the preparer)
- How many “unique” 902 (duplicate return) rejections are there?
- Can you quantify how many fraudulent returns have been protected by preparers who reported breaches?
- Can you quantify how many fraudulent returns that got through that were subsequently tied back to a preparer breach?

EPSS, Juanita Weller

- Can you very briefly explain how to obtain an EFIN? Can you quantify the amount of fraud in the application process?
- If a preparer breach occurs, how does the re-issuance of an EFIN occur? Is it automatic or are there any processes that must be cleared up?
- If there are multiple re-issuances of an EFIN to a firm, are there other processes that occur? How common is it for a firm to receive multiple re-issuances?
- Under what circumstances will an EFIN be terminated?

IRS CI

- When a preparer breach is suspected, at what point does CI act
- Do other law enforcement agencies get involved?
- Is there a penalty for not reporting a breach (from an IRS perspective)

Panel Questions (Whoever can best answer)

- Breach reporting can also be done via the FTC, how does that work?
- Some states have very rigorous breach reporting requirements. Are there processes in place to ensure what is reported to states is also reported to the IRS
- Estimates are between \$400-\$600 million of identity theft this year and approximately \$11.5 Billion stopped. If too soon for this year, are last year numbers available?
 - How many returns (or \$) were stopped due to preparer breach reporting?
 - How many returns (or \$) went through the system and that the IRS can be attribute to a potential preparer breach.

Reference: Guidance/Information Provided To Preparers

- IR-2019-140, August 6, 2019
 - Signs of a data Breach
 - Client e-filed returns begin to be rejected by the IRS or state tax agencies because returns with their Social Security numbers were already filed;
 - Clients who haven't filed tax returns begin to receive taxpayer authentication letters (5071C, 4883C, 5747C) from the IRS to confirm their identity for a submitted tax return.
 - Clients who haven't filed tax returns receive refunds;
 - Clients receive tax transcripts that they did not request;
 - Clients who created an IRS Online Services account receive an IRS notice that their account was accessed or IRS emails stating their account has been disabled. Another variation: Clients unexpectedly receive an IRS notice that an IRS online account was created in their names;
 - The number of returns filed with the tax professional's Electronic Filing Identification Number (EFIN) exceeds the number of clients;
 - Tax professionals or clients responding to emails that the firm did not send;
 - Network computers running slower than normal;
 - Computer cursors moving or changing numbers without touching the keyboard;
 - Network computers locking out employees.
 - StateAlert@taxadmin.org.
 - State Attorney Generals

SECURITY SUMMIT TAX PRO & COMMUNICATIONS WG REVIEW
ETAAC NOVEMBER 5, 2019 9:00 AM

DISCUSSION FOCUS:

Understand current direction of Security Summit Communications and Tax Professional Work Groups

- Communications WG:
 - Current focus and priorities...what's coming for 2020 filing season?
 - Update on IRS Communications/campaigns to the Tax Pros on Data Security
 - If available, Pell Center learnings from Security Training Sessions at Tax Forums, including tax professional attendance and reactions
- Tax Professional WG:
 - Current focus and priorities...what's coming for 2020 filing season?

How can ETAAC help?

KEY ISSUES/QUESTIONS:

IRS Communications

- What's coming for 2020 filing season?
 - Is there anything in the Taxpayer First Act that changes the Communications strategy?
 - Will the focus remain on the Tax Preparer, or will the taxpayer be targeted at all?
 - VITA added security training this year. Will there be any attempts to target other blocks of preparers for additional security training?
- Update on IRS Communications/campaigns to the Tax Pros on Data Security
 - This year's campaign was focused on "Checklists", how was that perceived
 - Do you get any feedback from other groups in the IRS when a preparer has been breached on their knowledge of what they need to be doing based on communications?
- Any learnings from Security Training Sessions at Tax Forums
 - Has attendance increased?
 - What do Forum Surveys indicate about the Security training?
 - The current Communication push is on the XX critical. Any indications of positive movement of the attendees understanding/acting on the information.

IRS Return Preparer Office

- Security Language was added to the PTIN renewal this year. Has there been any immediate feedback on it?
- What's coming for 2020 filing season?

ISAC Senior Executive Board, Executive Official and MITRE Presentation to ETAAC November 5, 2019 11:00 am

Presentation Content:

- Filing Season 2019 results of ISAC participants and comparative results with FS 2017 & 2018 in IDTTTF detection and deterrence.
- Feedback from ISAC state and IRS participants on industry leads utilization/usefulness
- Update on the Secretary of States information sharing pilot project
- Review potential impact of TFA IRC Section 6103 amendments on ISAC operations
- Discuss consideration of designating selected FI's as "7216 parties" under IRS 301.7216 regs to enhance FI sharing
- Update on consideration of implementing Financial Services Collaboration Space pilot
- Update on TFA impact and implementation vis-à-vis ISAC operations

How can ETAAC help?

Key Issues:

- (1) Budget
 - Do you expect that the proposed budget, if approved, will be sufficient to cover planned activities? Will it be sufficient to expand the ISAC platform as contemplated in the Taxpayer First Act?
- (2) The Taxpayer First Act included the IDTTTF exception to 6103.
 - What risks and opportunities arise out of the TFA?
 - How will the IRS take advantage of the explicit sharing authority to continue to grow engagement by the other two sectors?
 - Have the SEB and Executive Official designed a plan to operate the ISAC within a public-private partnership?
 - Will there be a legal entity to operate the partnership that delineates the scope of authority, activities and liability of the partnership?
- (3) The ISAC Senior Executive Board has seen significant turnover in all three sectors and similar transitions have and will continue at the analyst community of practice level.
 - How are new members on-boarded?
 - How is the institutional memory preserved and communicated?
 - How are the IRS and the partnership working together to integrate the insights and efforts of the partners into the IRS's regular IDTTTF activities?
 - Is there an infrastructure in place to ensure that the partnership (and analysts) from all three sectors are engaged and communicating with each other?
 - Are there demonstrable benefits of having the ISAC reside within the IRS's regular fraud operations?
 - What are the characteristics of the potluck partnership model that work well?
 - Are there things that can be done to improve the potluck partnership model?