

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
COMMERCE, SCIENCE, AND
TRANSPORTATION
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SMALL BUSINESS AND
ENTREPRENEURSHIP

June 24, 2014

John Koskinen
Commissioner of Internal Revenue Service
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20004

Dear Mr. Koskinen:

I sent the Internal Revenue Service (IRS) a letter inquiring about the IRS's efforts to combat tax identification fraud on February 15, 2013. Four months later on June 18, 2013, I received a response letter from the IRS describing preventative measures the agency has enacted to curb tax-related identity theft. As a follow up, I wrote the IRS an additional letter on November 19, 2013, in search of information regarding the accuracy of these protective measures. I am disappointed that I did not receive a reply to my November letter; however, I am giving your agency the benefit of the doubt since you only started serving as Commissioner in December and the transition may have led to my correspondence being lost or overlooked.

I certainly understand the IRS has had a lot on its plate with the 2014 tax filing season, and other ongoing investigations. However, identity theft prevention continues to be a critical issue to the constituents I represent in Florida. The success of efforts combatting identity theft at the IRS is imperative to the protection of American taxpayers, so I am writing you for a second time requesting a response that details the accuracy of such measures.

In its June 2013 letter to my office, the IRS stated that it has increased of the number and accuracy of filters that detect potential identity theft before refunds are issued. How did the new filters designed to stop the identity theft/tax refund fraud work during the 2014 tax season? I am interested in obtaining updated data and statistics regarding their effectiveness. Additionally, how did the number of identity tax refund fraud cases for the FY 2014 filing season compare to the number of filed cases in FY 2013?

A September 2013 report from the Treasury Inspector General for Tax Administration (TIGTA) disclosed that it took an average of 312 days to resolve the reviewed identity theft cases. The letter I received on June 18th stated that the IRS increased the staff dedicated to identity theft cases, broadened the scope of employee training, and established identity theft specialization

1

groups in addition to the Identity Protection Specialization Unit. Have these changes expedited the process of reviewing identity theft cases? Do you anticipate the average time that it took the IRS to review identity theft cases to decrease for FY 2014?

Finally, I would like to know if the IRS has contributed any additional new resources to combating tax fraud other than those efforts listed one year ago in its June 2013 reply letter. Have internal IRS investigations related to the politicizing of non-profit groups caused the IRS to divert any resources from its identity theft division? I would appreciate a timely response on this important issue within 30 days from your receipt of this letter. Thank you and I look forward to your reply.

Sincerely,



Marco Rubio
United States Senator