



NEW YORK STATE SENATOR

Eric Adams

NYS Senator Eric Adams Responds To NY1 News Report Of A Major Loophole In The IRS E-filing System By Introducing New Legislation To Protect Unsuspecting Tax Fraud Victims

ERIC ADAMS April 25, 2011

| ISSUE: **CRIME, VICTIMS, TAXES**



On April 12, 2011, NY1 reported a major loophole in the IRS e-filing system which allows identity thieves to steal the income tax refunds of unsuspecting taxpayers. The current e-filing system only requires an individual to provide either a Social Security Number (SSN) or

Employer Identification Number (EIN) as proof of identity. Unfortunately, many EIN numbers can be accessed online, affording Identity thieves the opportunity to illegally acquire an individual's EIN number, input false data, and electronically file tax returns even before unsuspecting taxpayers receive their W-2 forms.

NY1 asked the IRS what is being done to protect taxpayers, and a spokeswoman responded by saying: "Over 400 million returns have been electronically filed since 1986 without a security incident ... IRS e-file meets or exceeds all government security standards." Watch video [here](#).

Upon hearing the response from the IRS, NYS Senator Eric Adams decided to take action and introduce legislation aimed at protecting New Yorkers from becoming victims of identity theft.

The legislation will mandate that anyone who wants to electronically file a tax return must make a one-time visit to an e-file location – such as H &R Block, Jackson Hewitt, or the NYS Department of Taxation – to provide staff with an original NYS approved photo identification (NYS drivers/non-drivers license or passport) to receive a secured user identification number which can then be used to electronically file their tax return. It will be a free service which will benefit the e-filer for the rest of their life.

Senator Adams states, "As representatives in government, it is our obligation to recognize when there is a flaw within the system and to correct it. The IRS doesn't seem to understand the negative magnitude or impact of not having proper online safeguards in place. In order for an individual to bank online, the person must first provide the bank with documentation to verify their identity. This is the same premise that should be used for e-filing tax returns. One's identity must be irrefutably established prior to e-filing one's taxes. It is my goal to eradicate the loophole and make electronic filing safe and secure for all New Yorkers."

