



Rhode Island Department of Revenue

Division of Taxation

ADV 2020-58
SECURITY SUMMIT

ADVISORY FOR TAX PROFESSIONALS
DECEMBER 4, 2020

Tax professionals urged to review their safeguards

Security Summit says cybercriminals try to take advantage of tax pros amid pandemic

PROVIDENCE — The Rhode Island Division of Taxation, the Internal Revenue Service, and other partners in the Security Summit today marked the final day of National Tax Security Awareness Week by warning all tax professionals that they face additional challenges from cybercriminals seeking to exploit coronavirus (COVID-19) fears.



The Security Summit today closed a week-long effort to heighten awareness about identity theft and data security measures among taxpayers, businesses, and tax practitioners. This was the fifth annual National Tax Security Awareness Week.

“When the Security Summit formed five years ago to fight identity thieves, it was clear that the IRS, the states, and the industry could not be successful without the help of taxpayers and tax professionals. Everyone has a role to play in protecting sensitive financial data,” said IRS Commissioner Chuck Rettig.

“We’ve made tremendous progress in the past five years, but we still have work to do. The coronavirus and the increase in teleworking creates new ways for these sophisticated cybercriminals to scam people out of their money or their sensitive tax and financial information,” said Rhode Island Tax Administrator Neena Savage.

As the Security Summit partners took important steps to strengthen defenses against cybercriminals, identity thieves increasingly turned to tax professionals, targeting their offices and systems. Data thefts from tax professionals can provide valuable information to thieves trying to file fraudulent tax returns.

The Summit partners remind all tax professionals to review their security measures. IRS Publication 4557 (“Safeguarding Taxpayer Data”), provides practitioners with a starting point for basic steps to protect clients: <https://www.irs.gov/pub/irs-pdf/p4557.pdf>.

The Security Summit also created the “Taxes-Security-Together” checklist to help tax practitioners identify the basic steps they should take. As more tax preparers work from home or remote locations because of the coronavirus pandemic, these measures are even more critical for securing tax data.

Basic protections - the ‘Security Six’ measures

These easy steps can make a big difference, both for tax pros and taxpayers:

- Use anti-virus software and set it for automatic updates to keep your systems secure. This includes all digital products, computers, and mobile phones.
- Use firewalls. Firewalls help shield computers from outside attacks but cannot protect systems in cases where users accidentally download malware, for example, from phishing email scams.

- Use multi-factor authentication to protect all online accounts, especially tax products, cloud software providers, email providers, and social media.
- Back up sensitive files, especially client data, to secure external sources, such as external hard drive or cloud storage.
- Encrypt data. Tax professionals should consider drive encryption products for full-drive encryption. This will encrypt all data.
- Use a Virtual Private Network (VPN) product. As more practitioners work remotely during the pandemic, a VPN is critical for secure connections.

Protect yourself: The need for a security plan and data theft plan

The Security Summit partners remind tax professionals that federal law requires them to have a written information security plan. Federal law gives the Federal Trade Commission enforcement authority over this provision. Practitioners can learn more about the FTC's "Safeguards Rule" from IRS Publication 4557: <https://www.irs.gov/pub/irs-pdf/p4557.pdf>.

In addition to the required information security plan, tax pros also should consider an emergency response plan should they experience a breach and data theft.



IRS Publication 5293 ("Data Security Resource Guide for Tax Professionals") provides a compilation of data theft information available, including the reporting processes: <https://www.irs.gov/pub/irs-pdf/p5293.pdf>

The Security Summit consists of the IRS, the Rhode Island Division of Taxation, other states' tax agencies, and the tax community -- including tax preparation firms, software developers, tax professional organizations, and financial institutions. Partners in the Security Summit work together to combat identity theft and fight other scams to protect the nation's taxpayers.