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Division of Taxation

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SECURITY SUMMIT

ADVISORY FOR TAX PROFESSIONALS
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Security Summit: Use multi-factor authentication to fight ID thieves

Tax professionals urged to take steps to prevent unauthorized access to client accounts

PROVIDENCE — With heightened threats during the coronavirus (COVID-19) pandemic, the Security Summit partners – including the Internal Revenue Service and the Rhode Island Division of Taxation – call on tax professionals to use multi-factor authentication whenever possible to prevent identity thieves from gaining access to client accounts.



A multi-factor or two-factor authentication offers an extra layer of protection for the username and password used by the tax professional. It often involves a security code sent via text. Starting in 2021, all tax software providers will be required to offer multi-factor authentication options on their products that meet higher standards. Many already do so.

“Cybercriminals continue to find new ways to try accessing tax professional and taxpayer data. The multi-factor authentication option is an easy, free way to really step up protection of client data,” said

IRS Commissioner Chuck Rettig. All tax software products will make it a feature. It’s part of a larger effort to protect taxpayers and the tax community, said Rhode Island Tax Administrator Neena Savage.

Of the numerous data thefts reported to the IRS from tax professional offices this year, most could have been avoided had the practitioner used multi-factor authentication to protect tax software accounts. Thieves use a variety of scams – but most commonly a phishing email – to lure an unwitting tax professional to download malicious software. The malicious software – malware – will eventually enable the thieves to steal passwords from a tax professional.

Once the thief has accessed the practitioner’s networks and tax software account, the thief will complete pending taxpayer returns, alter refund information, and use the practitioner’s own e-filing and preparer numbers to file fraudulent returns.

However, with multi-factor authentication, it’s unlikely the thief will have stolen the practitioner’s cell phone, so the thief would not receive the necessary security code to access the account. This protects the tax professional’s account information. To learn more about this Security Summit alert, use the following link: <https://go.usa.gov/xfUrr>.

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.