



## Consumer Federation of America

1620 I Street, N.W., Suite 200 \* Washington, DC 20006

November 17, 2015

Honorable Bill Pascrell, Jr.  
U.S. House of Representatives  
2370 Rayburn House Office Building  
Independence Avenue & S. Capitol Street, SW  
Washington, DC 20515

Dear Representative Pascrell:

With so many stories about identity theft in the news these days, it is clear that we need to do more to prevent the misuse of people's personal information and assist the victims. Government documents or benefits fraud, the most common type of identity theft problem [reported](#) to the Federal Trade Commission (FTC) last year, is particularly worrisome because it is very difficult for victims to detect and resolve it. For example, the Internal Revenue Service's (IRS) Inspector General found that it takes the agency nearly a year on average to resolve cases involving scammers who impersonate legitimate taxpayers. That is too long a wait for people whose tax refunds have been stolen or are experiencing other tax-related problems due to identity theft.

Compromised Social Security numbers are the keys to committing tax and other types of government documents and benefits fraud. This sensitive personal information is vulnerable to both high-tech hacking and low-tech theft from health care providers, tax preparers and others who collect and retain it. Consumer Federation of America (CFA) supports your effort to address this issue by introducing [H.R. 3981](#), the Identity Theft and Tax Fraud Prevention Act of 2015, which would help prevent tax identity fraud and assist victims by:

- Requiring the IRS to resolve these cases within 90 days;
- Mandating that victims have a single point of contact at the IRS from the start of their cases to the end;
- Enabling identity theft victims to ask the IRS for PIN numbers to use when filing their tax returns even if they don't yet have a tax fraud problem;
- Allowing individuals to opt-out of being able to file tax returns electronically, the predominant means that identity thieves use to file fraudulent returns; and
- Requiring the IRS to notify individuals if their information has been used in a tax fraud scheme and provide them with the identity of the criminal if someone has been charged with the crime.

The legislation would also make it harder for identity thieves to have fraudulent tax refunds deposited to prepaid cards, limit the number of tax refunds that can be sent to the

same account or address, phase out the use of patients' Social Security numbers by health care providers, allow for truncated Social Security numbers on W-2 forms, impose new penalties for buying, selling or displaying people's Social Security numbers without their consent, and increase the penalties for tax identity theft. In addition, it would enable the IRS to regulate paid tax preparers, require those businesses to verify the identities of their clients, and deter them from abusing the IRS's electronic services to perpetrate tax refund fraud.

Identity theft is a major concern for all Americans, and combatting it should be a top Congressional priority. Tax identity fraud robs the U.S. Treasury and frustrates legitimate tax-payers. H.R. 3981 and the Senate bill on which it was modeled, [S. 676](#), introduced earlier this year by Senator Bill Nelson (D-FL), outline practical steps that can be implemented to fight tax identity theft more effectively. CFA applauds you for your leadership on this important issue and urges your colleagues to enact this legislation as quickly as possible.

Sincerely yours,

A handwritten signature in dark ink, reading "Susan Grant". The signature is written in a cursive, flowing style.

Director of Consumer Protection and Privacy  
Consumer Federation of America