



Written by [Warren Mass](#) on September 2, 2016

IRS Failed to Notify Taxpayers of Theft of One Million Social Security Numbers

A report released by the Treasury Inspector General for Tax Administration (TIGTA) on August 30 revealed that almost 1.1 million Americans have had their Social Security numbers stolen over a five-year period in “employment-related identity theft,” often by illegal immigrants not legally able to work in the United States. But amazingly, noted the report, “Taxpayers identified as victims of employment-related identity theft are not notified.” The report, entitled “The IRS is Not Notifying or Providing Sufficient Assistance to Victims of Employment-Related Identity Theft,” further stated:



During the period February 2011 to December 2015, the IRS identified almost 1.1 million taxpayers who were victims of employment-related identity theft. In April 2014, the IRS started a pilot initiative to begin notifying taxpayers that they may be a victim of employment-related identity theft. However, our review of the pilot notification initiative found that the IRS did not sufficiently design the pilot to include a representative sample of employment identity theft victims.

The IRS has *not* established an effective process to ensure that the required notice is sent to the Social Security Administration (SSA) to alert it of earnings not associated with a victim of employment-related identity theft. [Emphasis added.]

The release of the report drew an immediate reaction from Senator Daniel Coats (R-Ind.), who posted an article about it on his Senate webpage. “If there was any question about the need for my legislation to protect victims of employment-related identity theft, this report ends the debate,” said Coats. He explained the very serious consequences for the identity-theft victims:

Employment-related identity theft involves workers who steal the identity of another person in order to get a job. The Internal Revenue Service learns about this theft through tax forms but forbids its employees from notifying victims. Instead, the agency simply processes the tax return of the thief and sends a refund. As a result, victims may suffer accusations of not paying enough taxes or lose health, Social Security or other benefits because the government believes the victim earned income that was actually earned by the thief.

In his article, Coats said he had questioned IRS Commissioner John Koskinen about the IRS policy earlier this year at a hearing, after which the IRS informed him that the agency will begin notifying new victims starting next year. However, Coats said that the TIGTA report shows the need for new legislation that he authored in order to more fully protect victims and implement the recommendations made in the report. In April, the Senate Finance Committee, of which Coats is a member, adopted his amendment to an original bill to prevent identity theft and tax refund fraud that he authored entitled, “Protection of victims of employment-related identity theft.”



Written by [Warren Mass](#) on September 2, 2016

The amendment adds additional protections to the provision found in an original bill that provides for IRS notification of individuals when the IRS determines there has been an unauthorized use of their identity. It also provides that the notification shall include, among other information, (1) steps that victims can take to protect themselves from harm caused by the unauthorized use and (2) an offer of IRS victim protection measures such as an IP PIN that allows returns to be filed securely. “It is stunning that the IRS has chosen to aid and abet identity thieves for so long instead of protecting the innocent victims of the theft,” said Coats. “I hope that this report and my legislation will force the IRS to do the right thing.”

The *Washington Times* quoted a statement from Karen Schiller, commissioner for the small business and self-employed division of the IRS, who said that the agency’s 2014 pilot program to address identity theft was helpful, even if it didn’t completely solve the notification problem, but that the IRS will try to alert all taxpayers beginning next year. “As we continue to battle and make progress against all strains of identity theft in the tax ecosystem, we recognized that we were missing an important partner in this effort — the taxpaying public,” said Schiller, who had the task of answering the inspector general.

The *Times* cited an IRS statement that it is prevented by federal law from telling taxpayers who stole their identity. As mentioned above, many of these “employment-related” identity thefts are committed by illegal immigrants. However, the IRS said that its role is not to enforce immigration laws but rather to collect taxes. The agency issues ITINs (Individual Taxpayer Identification Numbers) to illegal aliens to ensure that they can still file tax returns, even if they should not be working in the United States. A statement on the IRS website says:

The IRS issues ITINs regardless of immigration status, because both resident and nonresident aliens may have a U.S. filing or reporting requirement under the Internal Revenue Code. They do not serve any purpose other than federal tax reporting.

The *Times* also reported that IRS Commissioner John Koskinen told Coats at the hearing that in many of the cases, friends or relatives lent their Social Security numbers to the unauthorized workers, and already know their information is being fraudulently used. He also said the agency struggled to come up with a solution that wouldn’t chase illegal immigrants away from filing their taxes altogether. “Obviously, priority for taxpayers and the IRS is collecting those taxes,” Koskinen frankly admitted.

Koskinen’s admission is significant, since it highlights that the IRS has prioritized its own mission of collecting tax revenue to the exclusion of cooperating with other government agencies attempting to enforce our nation’s immigration laws at a time when illegal immigration is a major crisis.

Even the RT News network, which is funded by the Russian government, hit the nail on the head when reporting about the way the IRS fails to protect the taxpayers from being victims of identity theft, in a report that also cited the *Washington Times*:

Once the IRS discovers the identity theft, though, nothing happens. The victim is not notified, nor are other government agencies. The agency has previously said that federal law prevents it from telling taxpayers who stole their identity, the *Washington Times* reported.

“The IRS has not established an effective process to ensure that the required notice is sent to the Social Security Administration (SSA) to alert it of earnings not associated with a victim of employment-related identity theft,” the [TIGTA] report found.

“The lack of a formal process to ensure that the SSA is notified of income not associated with an innocent taxpayer is problematic because this notification is essential to ensure that victims’ Social



Written by [Warren Mass](#) on September 2, 2016

Security benefits are not affected,” it added.

Representative Dave Brat (R-Va.) told World Net Daily (WND) and Radio America that the failure of the IRS to protect taxpayers from identify theft at the hands of illegal aliens is a textbook case of the government ignoring one of its fundamental responsibilities. “I used to teach ethics for 18 years at the college level, along with economics,” Brat said. “You can’t make up a case study that is this crazy. I think I would give the students a migraine if they had to piece together the logic of everything that’s wrong here.”

Brat related his encounter with Koskinen during a congressional hearing to a WND reporter: “Koskinen was in front of us, and I asked him, ‘If you know that you have illegal aliens and they’re asking for tax refunds or asking for any tax status, would you do anything about it?’ He said no. I was stunned,” said Brat, who noted that Koskinen made the same assertion in Senate testimony. “When he says it’s not my job to report illegal, much less unethical behavior, we’ve got a problem,” Brat said.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

[Subscribe](#)