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**BAUCUS URGES INTERNAL REVENUE SERVICE TO ASSESS STRATEGY  
ON IDENTITY THEFT PREVENTION**

*New GAO Report Identifies Possible Issues in IRS Initiatives on Identity Theft,  
Recommends Performance Measures*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) urged the Internal Revenue Service (IRS) to create appropriate metrics to assess the effectiveness of the agency’s identity theft prevention programs after the Government Accountability Office (GAO) released findings indicating the agency has failed to do so. Since the IRS began systematically identifying theft cases in January 2008, more than 52,000 incidents have been logged. Although the agency stopped 90 percent of fraudulent refund claims related to identity theft in calendar year 2008, the remaining 10 percent were issued to identity thieves totaling \$15 million. According to GAO, limited resources, time lags and a large volume of mismatches among taxpayer forms contribute to the agency’s inability to detect, pursue and prosecute all suspicious cases.

**“The integrity of our tax system depends on the IRS’s ability to protect taxpayer information and efficiently administer the tax code,”** said Baucus. **“This report reveals inadequate measures are in place to assess the effectiveness of the agency’s efforts, making taxpayers vulnerable to identify theft that can be financially devastating. I urge the IRS to continue to enhance its anti-theft programs and to coordinate internally and with other agencies to better manage identity theft detection programs. I expect the agency to closely consider GAO’s recommendations and look forward to following up on this issue.”**

The full report may be viewed on the GAO website here: <http://www.gao.gov/new.items/d09882.pdf>.

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