



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

The Honorable Mike Crapo
United States Senate
Washington, DC 20510

Dear Senator Crapo:

Thank you for your letter dated August 10, 2021. You wrote about an article published on June 8, 2021, in which ProPublica claims to have received a “vast trove” of taxpayer information. You are concerned that ProPublica’s claims indicate a major data-security breach at the IRS. You asked us to respond to five questions by August 24, 2021. I apologize for not responding by the requested date.

While I cannot speak to the contents of the ProPublica article, I am very sensitive to your concerns. Shortly after ProPublica published the article, I contacted the Treasury Inspector General for Tax Administration (TIGTA) and asked them to open an investigation into the matter. TIGTA has sole jurisdiction over potential “insider threat” violations if the information originated with an IRS employee.

Our responses to your questions are enclosed. Please note that we are unable to speak for the Department of the Treasury; our responses are on behalf of the IRS only.

I hope this information is helpful. I am sending a similar response to Senator Grassley. If you have questions, please contact me, or a member of your staff may contact Amy Klonsky, Chief, National Congressional Affairs Branch, at 202-317-6985.

Sincerely,

Charles P. Rettig

Question 1. Have Treasury and the IRS fulfilled all legal responsibilities, including those set forward in FISMA, for reporting any threat of a data breach (“incident”) to the Secretary of Homeland Security, CISA, or the Director of the Office of Management and Budget?

IRS Response: We do not yet know whether there has been a data breach or a threat of a data breach. We therefore do not yet know if the IRS has a legal responsibility to report anything as set forth in the Federal Information Security Modernization Act of 2014 (FISMA). If we learn there was a data breach, we will promptly report that breach as required.

Question 2. Have Treasury and the IRS fulfilled all legal responsibilities, including those set forward in FISMA, for reporting to committees of jurisdiction, including the Senate Finance Committee?

IRS Response: We do not yet know whether the IRS has any legal responsibility to report anything to committees of jurisdiction. If we learn there is something the IRS needs to report, we will promptly do so.

Question 3. Is it true that neither Treasury nor the IRS have determined that there has been an internal or an external breach of systems that would lead to unlawful public revelation of sensitive, legally-protected, private taxpayer information?

IRS Response: We do not yet have any information concerning the source of the alleged taxpayer information published by ProPublica.

Question 4. Has the IRS Computer Security and Incident Response Center identified any reason to believe there has been a breach of IRS systems that would lead to unlawful public revelation of sensitive, legally-protected, private taxpayer information?

IRS Response: The IRS Computer Security and Incident Response Center has not yet identified any reason to believe there has been a breach of IRS systems.

Question 5. Please provide documentation of the criteria utilized by the IRS to determine whether an “incident” as defined by FISMA has occurred that would require reporting to Congress.

IRS Response: The IRS uses the criteria outlined in the Office of Management and Budget’s memorandum M-21-02, issued on November 9, 2020.¹

¹ Available at <https://www.whitehouse.gov/wp-content/uploads/2020/11/M-21-02.pdf>.