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## **Consumers for Paper Options to Congress: Lack of Security in Electronic Tax-Filing Places Americans in the Crosshairs of Identity Theft**

*Coalition Files Statement with Senate Finance Committee Calling for Tougher IRS Security & Continued Access to Paper Tax Forms to Protect Americans from Cybersecurity Risks Associated with e-Filing*

WASHINGTON, D.C. – Consumers for Paper Options, a coalition of individuals and organizations advocating for the right to paper-based communications, filed a statement today with the U.S. Senate to demonstrate that electronic tax-filing and direct-deposited refunds are insecure and are leading to rampant identity theft. The organization encourages policymakers to maintain the option for citizens to file taxes on paper, and it supports Congressional efforts – such as [H. Res. 97](#) – to protect non-electronic access to government services and information for Americans who need or want it.

The statement, filed with the Senate Committee on Finance, which is examining the problem of tax fraud and identity theft, calls attention to government statistics proving that lack of security in the IRS e-filing and direct deposit program has made it far easier for identity thieves to file fraudulent returns – theft that will lead to an estimated \$21 billion loss over the next five years. In conclusion, Consumers for Paper Options encourages policymakers to make sure the IRS strengthens its security measures while providing better access to paper tax forms and traditional refund options that have proven much safer for senior citizens and other Americans who are currently being victimized by identity theft.

“Lack of security in the electronic tax-filing program has undoubtedly contributed to the epidemic of tax fraud being perpetrated in our country,” John Runyan, executive director of Consumers for Paper Options, wrote in the statement. “Of the 1.5 million undetected fraudulent returns processed during the 2011 tax season, 1.4 million, or 91 percent, were e-filed, and in 82 percent of these cases, thieves utilized direct deposit or pre-paid debit cards to obtain fraudulent refunds. There is no better proof that electronic tax-filing and refund collection has played a central role in our nation’s skyrocketing tax fraud.”

Runyan continued, “While cashing a paper check involves protections to ensure that the funds are being received by the correct person, electronic tax-filing has empowered thieves across the country. Debit cards are not a secure means of refund collection. They are untraceable, and can be collected and used without proper identification. As for funds received electronically via direct deposit, the IRS does not even mandate basic safeguards requiring the name on the bank account to match the name on the tax return.

“There is no accountability at the IRS, and certainly no credible effort to prevent electronic tax-filing from resulting in the epidemic of fraud we are experiencing today. Congress should insist that the IRS implement clear measures to secure the identity of law-abiding taxpayers who are being exposed to criminal fraud, while providing continued access for paper-filing by reinstating the mailing of paper tax forms for citizens who are uncomfortable with e-filing and vulnerable to cyber-risks.”

To access the full statement, visit: [http://www.paperoptions.org/links/CPO\\_Sen\\_Finance\\_Statement.pdf](http://www.paperoptions.org/links/CPO_Sen_Finance_Statement.pdf).



Consumers for Paper Options supports H. Res. 97, a bipartisan resolution introduced this year in the U.S. House of Representatives by Reps. Sean Duffy (R-Wis.) and Mike Michaud (D-Maine). The resolution seeks to reverse recent federal initiatives to completely eliminate paper-based information and services, such as Social Security checks and earnings statements, savings bonds and income tax forms.

### **About Consumers for Paper Options**

Consumers for Paper Options is a coalition of individuals and organizations who believe paper-based communications are critically important for millions of Americans, especially seniors and the 30 percent of Americans without Internet access. While regulated entities and governments at every level need to streamline services, cut costs and improve efficiencies, preserving paper-based options for information and essential services for those who need or want them should remain a crucial priority. The goal of Consumers for Paper Options is to preserve access to information in a way that neither hinders the natural evolution of technology nor discriminates against those who may not, or cannot, use it. For more information, visit [www.paperoptions.org](http://www.paperoptions.org).