

IOWA Department of **REVENUE**

Income Tax Refund Fraud

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IDR Fraud Model

- Dedicated income tax fraud unit
 - *Analyzes returns and maintains fraud model.*
 - *Works with taxpayers, victims, employers, IRS and law enforcement.*
- Proprietary fraud model
 - *Data sharing with IRS, IWD, States, software providers and other program participants.*
 - *Utilizes 42 separate data elements.*
 - *Model is updated daily.*

2015 Fraud Incidence

- 10,668 returns identified as fraudulent
 - *1.0% of all refund claims*
 - *2,333 refund claims used stolen identities of current Iowa taxpayers.*
- \$11.56 million fraudulent refunds stopped
 - *1.6% of refund dollars*
 - *Fraud expenses totaled \$834,969.*
 - *Return on investment of \$12.84*

New in 2016

- Analytics utilizing GIS and new algorithms.
 - *Compare data across multiple years.*
 - *Emphasis on defining fraud rings.*
- Validate direct deposits prior to transaction.
 - *Ensure name matches and analyze account for fraudulent characteristics.*
- Security agreements between IRS, States, software providers, financial institutions.

Taxes. Security. Together.

- Combined State / IRS / Industry public awareness campaign from January through April.
- Call us at 515.281.5986 or visit our website at <https://tax.iowa.gov>, for detailed information on reporting identity theft.