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April 21, 2015

VIA ELECTRONIC TRANSMISSION

The Honorable John Koskinen
Commissioner of Internal Revenue
1111 Constitution Ave NW
Washington, DC 20224

Dear Mr. Koskinen:

When the Internal Revenue Service (IRS) fails to adequately manage its computer systems, it creates opportunities for data to be lost, corrupted or stolen. The Government Accountability Office (GAO) has conducted audits on the security of IRS computers systems for nearly twenty years. And the Treasury Inspector General for Tax Administration (TIGTA) identified "Security for Taxpayer Data and IRS Employees" as the number one management and performance challenge for the IRS in FY 2015.¹

Even after regular reviews by the GAO, IRS computer security is still significantly deficient. In its March 2015 report GAO cited 69 weaknesses in IRS information security controls that it had previously identified to the IRS.² All of these weaknesses were outstanding for at least one year and in some cases the weaknesses had been identified four years earlier. The IRS claimed to have addressed only 24 of those problems. The GAO found that, in fact, only 14 of those 24 had actually been resolved. The GAO found another 3 weaknesses actually were addressed and a fourth was no longer an issue. This leaves 51 weaknesses (over 70 percent of the total) still awaiting action.

¹ October 15, 2014, Memorandum for Secretary Lew, from TIGTA IG J. Russell George, Management and Performance Challenges Facing the IRS for FY 2015.

² GAO, Information Security: IRS Needs to Continue Improving Controls over Financial and Taxpayer Data, GAO-15-336SU (Washington, D.C.: March 2015).

Protecting taxpayer's information and ensuring efficient and appropriate administration of the tax system are of paramount concern. This is especially so in today's world with identify thefts on the rise.

Some of the existing problem areas include:

1. Patches – Eleven of the 51 unaddressed weaknesses involved failure to apply patches to servers or databases in a timely manner. Some of these weaknesses have been known and not remedied for three years. These seem to be particularly dangerous shortcomings.
2. Passwords – Five of the 51 unaddressed weaknesses involved password policy. As noted in GAO Report 15-336SU, this includes not assuring that passwords expire every 90 days on some systems and not requiring the appropriate minimum number of characters for passwords. Failure to remedy this issue can result in former employees maintaining access to taxpayer information.
3. Audit and monitoring – Six of the 51 unaddressed weaknesses involved audit and monitoring capabilities. Without these capabilities the IRS is very limited in its ability to establish individual accountability, monitor compliance with security policies and investigate security violations.

For each of the 22 weaknesses discussed above, please provide the date by which you expect to have the problem resolved. For any weakness where the fix is expected to be implemented after May 21, 2015, please include an explanation of what is being done to solve the problem. Please provide your written response to these questions by May 21, 2015.

Thank you for your prompt attention to these requests and for your cooperation in working with me to improve computer security at the IRS to both better serve and protect the data of American taxpayers. Should you have any questions regarding these issues, please contact Paul Junge of Chairman Grassley's staff at (202) 224-0747.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary