

June 24, 2006

MEMORANDUM

TO: IRS Chapter Presidents

RE: Identity Theft

SUMMARY: With the recent stories over the last two weeks regarding the loss of personal data due to theft or loss of laptops, data disks, and similar media, NTEU is trying to move management to put a permanent program in place to help those whose personal information was stolen, and the IRS is in the process of contacting the employees and applicants whose data was lost to alert them to the problem and review options they have as individuals to protect themselves.

I am sure you have seen the many stories over the last two weeks about the loss of personal data due to theft or loss of laptops, data disks, and similar media. Perhaps you have even been approached by one of the employees whose data was compromised when the laptop was lost by an IRS recruiter. While we are bracing for an expected effort to reduce employee rights to flexiplace and the convenience of laptops, we are also trying to move management to put a permanent program in place to help those whose personal information was stolen.

The managers leading this effort within the IRS tell us that they are in the process of contacting the employees and applicants whose data was lost to alert them to the problem and review options they have as individuals to protect themselves. Management has also worked out a procedure with TIGTA to potentially investigate an identity theft activity. However, not much has been done by management to secure a vendor who will provide these employees a daily monitoring of their credit accounts through the three major credit bureaus for obvious signs of attempted ID theft, immediate alerts when something is noticed, unlimited free credit reports for the employee to review account activity, or even insurance against theft.

Management tells us that they have contacted a GSA-approved provider of these services, but have been unable to get that provider to bid on the contract. The suspicion is that these vendors are all pursuing a contract proposal that the Veterans Administration is circulating because it is so much larger than the few hundred cases at the IRS. Moreover, that contract is likely to set the standard for all contractors in the federal service, which is discouraging vendors from bidding on anything until the terms of that contract are known. Unfortunately, that is not likely to take place until August at the earliest, assuming no challenges to the contract, etc. The IRS believes it will have little choice but to wait for that contract and negotiate a rider on it.

While management's goals are the right ones, it is disturbing that victimized employees may be left defenseless in the interim. As a result, we are going to see if we can find alternative ways to get these protections temporarily for employees and expect to make a formal proposal to management early next week.

We still have not received a list of the names of the employees impacted by the lost recruiter laptop. I will provide that to you upon receipt, and will provide any new developments on this important issue.

Colleen M. Kelley
National President