

IAITAM: RUNNING IRS LIKE A BUSINESS BY CURBING “MASSIVE IT WASTE AND ABUSE” WOULD MORE THAN PAY FOR PROPOSED TRUMP BUDGET CUT

\$31,000 Savings Per IRS Employee Possible: As Federal Tax Deadline Approaches, Nearly \$3 Billion Wasted Annually by IRS on IT; Lack of Protocol on “IT Asset Management” Increases Risks of Stolen Taxpayer Data.

WASHINGTON, D.C. & CANTON, OH.///March 29, 2017///As the White House looks for ways to make federal agencies run more like businesses, President Trump need look no farther than the Internal Revenue Service (IRS). The scope of Information Technology (IT) waste and abuse at the IRS is so massive that reining it in would pay several times over for the proposed \$239 million cut in the agency's budget, according to a [fact sheet issued today](#) by the Canton, OH-based International Association of Information Technology Asset Managers (IAITAM). The overall potential savings estimate for the IRS of \$2.76 billion works out to roughly \$31,000 per agency employee – or more than three times the average American's tax bill of \$9,118.

The nearly \$3 billion the IRS wastes each year on Information Technology (IT) and IT security leaves taxpayers and the government in greater danger of breaches from lost and stolen hardware, the use of outdated software, missing software patches and other cybersecurity dangers. [The IAITAM fact sheet](#) cautions that until the IRS adopts a rigorous approach to IT Asset Management (ITAM), by creating an IRS ITAM team that would be charged with the day-to-day management of all assets within the IRS, the federal revenue agency will continue to waste billions of dollars in taxpayer funds and is unlikely to stem IT-related failures seen in recent years, including an identity theft breach that involved 724,000 taxpayers.

According to IAITAM, private industry in the United States spends an average of \$4,600-\$4,900 per employee on IT – less than \$5,000 per person. The IRS could save roughly \$31,000 per employee. The budget savings from implementing private sector IT Asset Management protocol with 79,890 IRS employees could result in a total savings of roughly \$2.76 billion or 22 percent of the total budget of the IRS in 2016. To meet the reduction level set by President Trump, the IRS could easily reduce its budget without sacrificing collection capabilities, reducing the workforce ... and it would actually increase the security of taxpayer and government data.

IAITAM CEO Dr. Barbara Rembiesa said: **“At this time of the year, every person in America who pays taxes wants to believe those dollars are being put to good use. But we know that the IT waste and inefficiency at the IRS is actually quite bad. If we are going to run the federal government like a business, then we owe it to taxpayers to start with the IRS. The sad truth is that elected officials and agency administrators are failing to take a bottom-up approach to the purchase, control, inventory, and proper destruction of such IT assets as software, computer hard drives and mobile devices.”**

IAITAM General Counsel Glenn Wilson said: **“In addition to saving taxpayers a massive amount of money, a comprehensive ITAM program would protect taxpayer and government data from getting into the hands of foreign hackers and those wishing to exploit the insecurity of IRS held taxpayer data. Taxpayers need to understand that simply throwing more dollars at Information Technology (IT) and IT security at the IRS is not a solution for anything other than a mind-boggling waste of public funds. Instead of wasting more taxpayer dollars on more IT, the IRS should implement a comprehensive IT Asset Management protocol that would save taxpayers a substantial amount of money.”**

Examples of recent failures at the IRS that could be addressed through better ITAM practices include:

- Over one million - Number of attempts daily to improperly access IRS data.
- 724,000 - Number of taxpayers exposed to identity theft as the result of a massive breach of IRS files.

- 57% - Nearly three out of five mobile device inventory records that were incorrect at the IRS, where 94 percent of employees are provided with a mobile device. Further, the IRS paid monthly service fees for almost 6,800 devices that were not inventoried at all (almost 17 percent of total devices, and almost \$2 million per year in service fees). For more than 700 employees, the IRS paid for multiple mobile devices (between two and five) despite the prohibition against multiple devices.
- \$12 million - wasted on a cloud-based email system that was incompatible with its existing email systems.

ABOUT IAITAM

The International Association of Information Technology Asset Managers, Inc., is the professional association for individuals and organizations involved in any aspect of IT Asset Management, Software Asset Management (SAM), Hardware Asset Management, Mobile Asset Management, IT Asset Disposition and the lifecycle processes supporting IT Asset Management in organizations and industry across the globe. IAITAM certifications are the only IT Asset Management certifications that are recognized worldwide. For more information, visit www.iaitam.org, or the IAITAM mobile app on Google Play or the iTunes App Store.

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EDITOR'S NOTE: A streaming audio replay of the news event will be available at 5 p.m. EDT/ 2 p.m. PDT on March 29, 2017 at <http://www.iaitam.org>.