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Minnesota Leads Reporting Requirements

The Minnesota Department of Revenue established leads reporting requirements for software providers offering Do-It-Yourself (DIY) products for Tax Year 2015. Effective for Tax Year 2016, we are expanding the requirement to all software providers to help fight identity theft and fraud. This requirement is effective for Form M1 and M1PR Tax Returns filed in 2017.

Data Submission Requirements

What will software providers have to report to the Minnesota Department of Revenue?

You must submit a report using our defined schema. You must submit lead reporting information that aligns with the patterns defined below.

Please Note: The patterns below are minimum standards. If you identify other suspicious or potentially fraudulent behavior, we would expect you to share that information with us by contacting us at [651-556-4818](tel:651-556-4818) or e-mail us at EFile.DevSupport@state.mn.us

Pattern Identifier	Pattern Description
Improper Account Access	After the point of return filing: 1. A customer notifies the vendor that their account was accessed improperly, or 2. A vendor identifies an account takeover or account access resulting from stolen credentials occurred.
Password Resets	A customer is required to reset their password AND they successfully accessed their account less than 30 days prior to password reset. Example: A returning customer successfully logs in to their account on February 1 to begin preparing return, then attempts to log in again on February 15 and fails to the point that they must reset their password.
Suspicious Login Duration	Return associated with a device that logs into any single session for < 1 minute.
Email Addresses- Random Keystroke Emails	SSNs that file a refund request using random keystroke email addresses or repeating pattern of characters alternating back and forth. For example, fdjadkjkaldkjkfdkfkjajdfdkjeieurekj@gmail.com
More than 20 IPAs	One account accessed by more than 20 IPAs
More than 20 DeviceIDs	One account accessed by more than 20 Device IDs
Multiple returns from one account with no Preparer ID	A single user ID submits more than 20 returns with no Preparer ID and no FEIN
Other	The lead is being submitted for a reason that is not defined above. Additional information can be provided using Elements 23 and/or 24.

How will providers send the information to Minnesota Revenue?

Minnesota uses MOVEit as a secure FTP solution for certified providers to send the state specific fraud leads reporting to Minnesota as well as retrieve the feedback report from Minnesota. This solution will have two options for connecting:

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1. A secure web interface that requires a username and password to gain access to manually upload and download files.
2. Secure FTP client using SSH; username, password, and a certificate will be used to authenticate and secure the file transmissions.

How do I get a username and password for the FTP system?

You must provide the following information for creation of a username and password or association to a certificate:

- Name
 - Phone number
 - Email address
- NOTE:** Notification emails will be sent from the secure FTP solution when the feedback reports are available for download.
- IP address of the system connecting to the Secure FTP solution
- NOTE:** This is so appropriate firewall rules can be put in place to filter unwanted connections to the secure FTP solution

A separate email will be sent containing the username and temporary password as well as procedures for how to connect to Minnesota's Secure FTP solution.

What are the requirements of a lead reporting file sent to Minnesota?

Data File Type	File Name
XML	#####_MDORLEADRPT_***_??_YYYYMMDD.xml

File Name Legend

- ##### = Vendor Code (assigned user/folder name)
- MDORLEADRPT = Minnesota Department of Revenue Lead Reports
- *** = Testing or Production file (TST = Testing; PRD = Production)
- ??? = Sequence number (this is if more than one file is sent in a day or a resubmission is needed)
- YYYYMMDD = Year/Month/Day

Providers must have a process for resending/reposting the State Lead file should problems occur.

What are the requirements of a feedback report sent from Minnesota?

Data File Type	File Name
Compressed XML (zipped)	#####_MDORLEADFDBK_***_??_YYYYMMDD.zip

File Name Legend

- ##### = Vendor Code (First two characters of Vendor name + last four digits of FEIN)
- MDORLEADFDBK = Minnesota Department of Revenue Lead Feedback Report
- *** = Testing or Production file (TST = Testing; PRD = Production)
- ??? = Sequence number (this is if more than one file is sent in a day or a resubmission is needed)
- YYYYMMDD = Year/Month/Day

Providers can contact the Minnesota DevSupport team at Efile.DevSupport@state.mn.us should a lead feedback report need to be resent/reposted.

When should software providers send Minnesota fraud leads reporting information?

You should submit fraud lead reports within 8 days of the return submission. If possible fraud activity is detected, send lead reports sooner. The reporting service is available 24 hours a day, 7 days a week.

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If you identify an urgent issue, lead reporting information should be sent immediately and you should follow-up with an email to Efile.DevSupport@state.mn.us or call 651-556-4818.

If you have not identified any suspicious activity, you don't need to send us a report for that week. **However**, if we identify fraudulent returns and you have not submitted lead reports, we will contact you and if necessary, and take additional action.

What will Minnesota Revenue report to providers?

The report includes information about your submissions at the provider level. It will include a summary of DIY and professional product together. We will deposit the XML file and you will receive an email notification when the report is available for you. Information included in the report is included in our schema.

How is Minnesota Revenue sharing with the National Fraud Summit?

We will share information about which data elements are useful in detecting fraud and new discoveries from the information submitted to Minnesota.

Each software provider, state, and the IRS are unique and fraud patterns and schemes can vary, we believe there is value in sharing Minnesota's experience with the Fraud Summit team.

Sharing in this way will help keep all of us ahead of schedule and identify additional ways to fight against fraud for the 2017 filing season (tax year 2016). In addition, it gives all of us on the summit team some quantitative information about professional products.

Minnesota Leads Reporting Testing Requirements

Each product transmitting Individual Income tax and/or Property Tax Refund returns must pass leads reporting testing before it will be allowed to transmit returns to the Minnesota Department of Revenue.

Leads Reporting Test Cases

Software providers must submit one leads file for each software product; this includes DIY and Tax Professional products. The test case must:

- Use software product name in the VendorNm element.
- Have each field completed with fictitious information.
- Be submitted through MOVEit Cert

Leads reporting testing opens on December 1, 2016.

Taxpayer Communications

What is Minnesota Revenue communicating to taxpayers?

We created a web page to inform the public about identity protection and improved Where's My Refund application, and direct deposit. (See below for details.) We will provide the URLs for these pages so you can include them in your software product.

- **Identity Protection**

www.revenue.state.mn.us/individuals/individ_income/Pages/identity-theft.aspx

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- We take the time necessary to make sure the right refund goes to the right customer by reviewing and verifying the information on all tax returns.
- Although software providers transmit the return to us, the department determines the validity of the returns they submit
- Purchasing audit protection from a provider does not prevent the department from reviewing or adjusting your return.
- Protect yourself against identity theft, with how-to tips and other useful information
- “If you see it, say it!” with information and links on how to report tax fraud to the department
- **Where’s My Refund**
http://www.revenue.state.mn.us/individuals/individ_income/Pages/draft-wmr-context-page.aspx
- **Direct Deposit**
<http://www.revenue.state.mn.us/Pages/DirectDeposit.aspx>
 - We continue to promote direct deposit as the fastest and most secure way for taxpayers get their refunds