



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

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GOVERNOR

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STATE TREASURER

**DATE:** November 18, 2016

**TO:** State Budget Office  
Senate Appropriations Committee  
House of Representatives Appropriations Committee

**FROM:** Kyle Thelen  
Tax Compliance Bureau

**SUBJECT:** FY 2016 - Boilerplate Report

Pursuant to P.A. 084 of 2015 section 949(2), the following information is being provided as an update regarding the fraud prevention program.

Due to the identity confirmation batch process that has been implemented through the contract with Experian Information Solutions, Inc., 22,108 returns were stopped, and no response was received for over sixty days, during the 2015 individual income tax filing season. Refunds in the amount of \$11,738,198 claimed on these returns will not be issued by the State of Michigan.

During fiscal year 2016, a total of \$763,605 was spent on the identity confirmation batch process and systems programming. An additional \$87,200 was encumbered during fiscal year 2016 for consulting services provided by the vendor to review and determine best practices of the identity confirmation process.

Furthermore, process and technology enhancements are being pursued. These enhancements will improve the MI Login and identity confirmation process online, allowing more taxpayers to verify their identity electronically, further reducing the amount of correspondence that must be reviewed manually.

If you have any questions or concerns, please contact Kyle Thelen, Departmental Specialist, Tax Compliance Bureau, at (517) 636-4269.