IRS Approved Potentially Ineligible e-File Providers

Cross References

- TIGTA Report Number 2026-IE-R006, May 27, 2026

The IRS's Electronic Filing (e-file) Program offers taxpayers an alternative to filing a paper tax return. E-file allows tax returns to be sent to the IRS electronically via an authorized IRS e-file provider.

Authorized providers must meet certain eligibility criteria and pass a suitability check before receiving a unique Electronic Filing Identification Number (EFIN). The EFINs are required to electronically file tax returns. Responsible officials associated with an e-file application must:

- Be a United States citizen or alien lawfully admitted for permanent residence,
- Be at least 18 years of age, and
- Meet state and local licensing and/or bonding requirements for preparing and collecting tax returns.

Responsible officials who are not certified or licensed professionals must be fingerprinted to ensure that no criminal activity exists that would render them ineligible to participate in the e-file Program.

The Treasury Inspector General for Tax Administration (TIGTA) initiated an evaluation to determine whether the IRS has effective processes and procedures to assign an EFIN and to identify and prevent its unauthorized use.

If the IRS does not ensure that e-file providers maintain their integrity and adhere to professional and ethical standards, it could negatively impact trust in the administration of the federal tax system.

What TIGTA found. From January 2022 through March 2025, the IRS accepted approximately 116,000 e-file provider applications. The IRS performs suitability checks on applicants for the e-file Program. However, TIGTA found that programming errors, procedural updates, and unaddressed suitability issues contributed to the approval of potentially ineligible applicants. TIGTA reviewed a statistical sample of 138 Responsible Officials associated with accepted applications and found that 14 had suitability issues that were not addressed.

- 8 had tax compliance issues (i.e., they either did not file a tax return for one or more tax periods, did not pay a tax debt, or did not establish an installment agreement to pay a debt owed).
- 5 had a criminal history that the IRS had not researched and addressed, or their criminal history was not reviewed because there was no fingerprint data on file.
- 1 applicant's citizenship was not verified.

During this same period, the IRS accepted 138 individuals into the e-file program, but their citizenship status records indicated they were not eligible. In addition, approximately 6,300 individuals had an unknown citizenship status in IRS records. TIGTA selected a judgmental sample and determined that the IRS did not verify the citizenship status on 47 percent of the cases sampled.

TIGTA also identified 67 IRS employees listed as Responsible Officials on e-file applications. IRS employees are prohibited from outside employment activities that involve preparing tax returns for compensation, gift, or favor.

What TIGTA recommended. TIGTA made five recommendations to the Chief, Taxpayer Services, to improve the suitability reviews of e-file providers. Recommendations included reviewing programming specific to tax compliance to ensure that initial and continuous suitability reviews function as intended. The IRS should also ensure that individuals with an incomplete or ineligible citizenship status are verified, and a citizenship status check is included in continuous suitability reviews.

TIGTA also recommended that participants who are subject to fingerprinting requirements, and are not under continuous monitoring, submit their fingerprints and are enrolled in the Federal Bureau of Investigation's continuous monitoring service. Finally, TIGTA recommended that the IRS establishes a systemic method of identifying IRS employees during initial and continuous suitability checks.