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Intuit Urges Industry to Join Fight to Combat Tax Fraud

Company Agrees to Buy Cloud-Based Security Leader Porticor

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Amid heightened data security awareness this week and on the heels of a recent national symposium on tax fraud, Intuit Inc. (Nasdaq: INTU) today reiterated its call for the tax preparation industry to join in its fight against tax fraud.

“People work hard for their money, pay their taxes, and do their best to be in compliance. Yet criminals steal names and identities to wreak havoc with people and the tax system,” said Brad Smith, CEO and president of Intuit. “Private industry and government need to work together to find ways to take billions of fraudulent dollars out of the hands of criminals and put them back in the pockets of American families where it rightfully belongs.”

The Internal Revenue Service estimates that \$5 billion is lost each year due to tax fraud and improper payments. The rise of cyber-fraud threatens to push that number even higher.

Intuit is actively engaged with federal and state governments, as well as industry associations, to fight fraud. Last week the company sponsored a symposium in Washington, D.C., – “The Fight Against Fraud: Solving a \$5-billion Tax Challenge” – where thought leaders discussed and debated the challenge of tax fraud. Today, the company is continuing the conversation by calling on leaders to take the next step.

“It is time for a renewal of innovation, ingenuity and vigilance by the public and private sector to fight fraud,” Smith said. “I call on my competitors across the industry, along with federal and state governments, to convene a summit, forge a strategy together and apply it against today’s challenge to the tax system.

“This cause should not and cannot increase the burden on the American taxpayer. Instead, we must collectively work with Congress to support the drive for tax reform and help ensure that tax simplification for the average taxpayer and small business in this country is a high priority. Eliminating excessive complexity from our tax code is essential to reducing error, abuse and fraud in the tax system,” said Smith.

“The fraud threat to U.S. financial and tax systems is well known, but seldom understood,” said Thomas M. Lenard, president and senior fellow of the Technology Policy Institute. “Last week’s Washington symposium underscored the need for action. Fraud is a common enemy of government and industry, consumers and business. Solutions must come from collaboration and mutual strategy development between the public and private sectors working in common cause, and it should be undertaken as a national priority.”

Private Industry’s Role in Fight Against Fraud

Private industry plays a significant role in protecting the privacy and security of customer information. For Intuit, this is particularly important during tax season when fraud attempts are on the rise.

Intuit consistently invests in leading-edge technology, world-class technologists and pioneering products that help prevent, detect and respond to suspicious and fraudulent data activity. The company today announced plans to acquire Porticor, a leader in cloud-based security, headquartered in Israel.

Porticor's unique combination of state-of-the-art encryption and patented key management systems protects critical data in public, private and hybrid cloud environments. The transaction is expected to close in the next week.

In addition, Intuit works closely with a community of security experts, including industry-leading firms, such as FireEye and Palantir.

"Tax fraud is a difficult industry challenge and we are pleased to partner with Intuit to address this challenge at the industry level," said Kevin Mandia, chief operating officer of FireEye. "In our multi-year partnership with them, we've come to appreciate not only their unflinching mindset around being responsible stewards of customer data, but also the security-oriented innovation within the company across the board."

How Consumers Can Protect Themselves

Identity theft is a predominant contributor to tax fraud. Intuit has seen an increase in the number of criminals who've stolen identities outside the tax filing process and then attempted to access its products to file fraudulent returns. Industry and government must work together to educate consumers and help them to take steps to safe guard their identity online. Intuit continuously advises consumers on how to protect themselves.

Consumers can learn more at:

- <http://www.irs.gov/Individuals/Identity-Protection-Tips>
- <https://security.intuit.com/index.php>

About Intuit Inc.

[Intuit Inc.](#) creates business and financial management solutions that simplify the business of life for small businesses, consumers and accounting professionals.

Its flagship products and services include [QuickBooks®](#), [Quicken®](#) and [TurboTax®](#), which make it easier to manage [small businesses](#) and [payroll processing](#), [personal finance](#), and [tax preparation and filing](#). [Mint.com](#) provides a fresh, easy and intelligent way for people to manage their money, while [Demandforce®](#) offers marketing and communication tools for small businesses. [ProSeries®](#) and [Lacerte®](#) are Intuit's leading tax preparation offerings for professional accountants.

Founded in 1983, Intuit had revenue of \$4.5 billion in its fiscal year 2014. The company has approximately 8,000 employees with major offices in the [United States](#), [Canada](#), the [United Kingdom](#), [India](#) and other locations. More information can be found at www.intuit.com.

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