

HOW TO AVOID TAX IDENTITY THEFT SCAMS

CRIME ACCOUNTS FOR

45%

OF IDENTITY THEFT

Tax identity theft is an easy and lucrative way for criminals to make money. This fast-growing crime accounts for nearly half—45 percent—of identity theft crimes reported to the Federal Trade Commission.¹ Want to get to your tax refund before the bad guys? Follow these tips.

A PROBLEM THAT WON'T GO AWAY



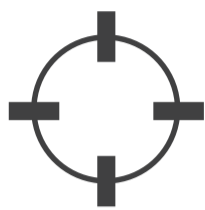
\$22.5 Billion

Attempted tax refund fraud that was prevented or recovered by IRS²



\$3.1 Billion

Lost to fraudulent tax refunds³



260,000

Victims⁴



400%

Surge in phishing and malware incidents during tax season⁵

HOW IT HAPPENS

Common ways thieves get your personal information:



Stolen
Wallet/Purse



Phone
Scams



Phishing
Emails

WHAT IT IS

TAX IDENTITY THEFT happens when thieves use stolen Social Security numbers to get tax refunds or jobs.

HOW TO SPOT PHISHING EMAILS



Poor Spelling,
Grammar



Claim To Be
From IRS



Request Personal
Information



Demand
Payment



Mention Current
Events



Use URLs That
Don't End In .gov

HOW TO SPOT PHISHING CALLS



Claim To Be
From IRS



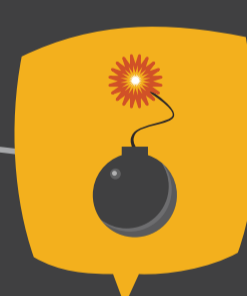
Demand Immediate
Payment



Require A Specific
Payment Method



Ask For Credit/
Debit Card Number



Make
Threats

COMMON SCAMS

These scams happen by phone, email and social media.



FAKE BILL

Scammers present bogus tax bill related to the Affordable Care Act



VERIFICATION SCAM

Entices victims to confirm SSN or details in tax return



BOGUS TAX

Scammers demand payment for non-existent "federal student tax"



CEO SCAM

Scammers impersonate executives to get sensitive data from accounting, HR departments

THE IRS WILL NEVER⁶

- ➔ Call to demand immediate payment
- ➔ Threaten to arrest you
- ➔ Ask for credit/debit cards over the phone
- ➔ Demand you pay taxes without giving you the opportunity to appeal the amount they say you owe

HOW TO PROTECT YOURSELF

- 1 File Early. The IRS flags a second return as suspicious, so file early, before the bad guys.
- 2 Go electronic. Opt for direct deposit of tax refunds to avoid lost or stolen refund checks.
- 3 Choose tax preparers carefully. Avoid unscrupulous companies that steal personal data.
- 4 Keep sensitive tax data secure on a password-protected or encrypted external.
- 5 Check with your providers. You already may receive CyberScout Identity Management Services through your insurers, financial institutions and employer.
- 6 Report scams to phishing@irs.gov.

¹ Consumer Sentinel Network Data Book, Federal Trade Commission, 2016.

² Identity Theft and Tax Fraud, U.S. Government Accountability Office, May 2016.

³ Ibid.

⁴ IRS Steps Up Security to Prevent Identity Theft on Tax Returns, Fort Worth Star-Telegram, Jan. 6, 2017, <http://www.star-telegram.com/news/business/biz-columns-blogs/teresa-mcusic/article124975089.html>.

⁵ Consumers Warned of New Surge in Email Schemes, IRS, Feb. 2016, <https://www.irs.gov/uac/newsroom/consumers-warned-of-new-surge-in-irs-email-schemes-during-2016-tax-season-tax-industry-also-targeted>.

⁶ IRS Warns of Back-to-School Scams, IRS, Aug. 2016, <https://www.irs.gov/uac/irs-warns-of-back-to-school-scams>.