

TAX

IDENTITY

THEFT



AWARENESS WEEK

Today's Speakers



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Attorney
Federal Trade Commission (FTC)



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CEO & President
Identity Theft Resource Center



Overview

- What is identity theft?
- What is tax identity theft?
 - How does tax identity theft happen?
 - How to reduce your chance of being a victim
 - What to do if you're a victim
- IRS Imposter Scams



What Is Identity Theft?

Definition of Identity Theft

- Identity theft is the misuse of another's personal information to:
 - fraudulently obtain goods or services

OR

- hide from government, law enforcement, or others who perform background checks



17.6 million

identity theft victims in 2014 (7% of US population)*

Over 370,000 complaints to the FTC in 2017.

*U.S. Dept. of Justice, Bureau of Justice Statistics, Victims of Identity Theft, 2014 (September 2015)



Examples of Misuse

- Open Credit Cards
- Open Utility Accounts
- Apply for a Tax Refund
- Get a Loan
- Apply for Employment
- Get Medical Care



Impact on Victims

- Denial of credit/loans
- Denial of public benefits
- Denial of medical care
- Denial/loss of employment
- Harassment by debt collectors
- Legal issues/arrest
- Stress/anxiety
- Recovery time/expense



Victim Impact

- How distressing was the misuse or attempted misuse of your personal information?
 - Severely distressed (75%)
 - Moderately distressed (17%)
 - Not distressed at all (less than 2%)

ITRC, [Identity Theft: The Aftermath](#) (2017)



Emotional Reactions

Frustration/annoyance (80%)
Fear for financial security (67%)
Violated (66%)
Helpless/powerless (53%)
Loss of ability to trust (44%)
Suicidal (7%)

ITRC, [*Identity Theft: The Aftermath*](#) (2017)



Deeper Dive Into Emotional Reactions

Sought professional help (25%)

Turned to friends and family (20%)

Wanted professional help but
unable to afford it (13%)

ITRC, [*Identity Theft: The Aftermath*](#) (2017)



Behavioral & Physical Reactions

Sleep disturbances (48%)
Inability to concentrate (37%)
Fatigue (35%)
Headaches (34%)
Panic attacks (27%)

ITRC, [*Identity Theft: The Aftermath*](#) (2017)



What Is Tax Identity Theft?

What Is Tax Identity Theft?

- Filing a fraudulent tax return using another person's Social Security number
- Claiming someone else's children as dependents
- Claiming a tax refund using a deceased taxpayer's information
- Earning wages under another person's Social Security number



Short-term Trends

Between 2016 and 2017:

- Total identity theft complaints **down 7%**
- Tax identity theft complaints **down 38%**
- IRS imposter scam complaints **down 54%**

» *Consumer Sentinel Data*



Id Theft Complaint Trends

	2013	2014	2015	2016	2017
Total Number of Identity Theft Complaints	290,102	332,647	490,220	399,223	371,157

Consumer Sentinel Data



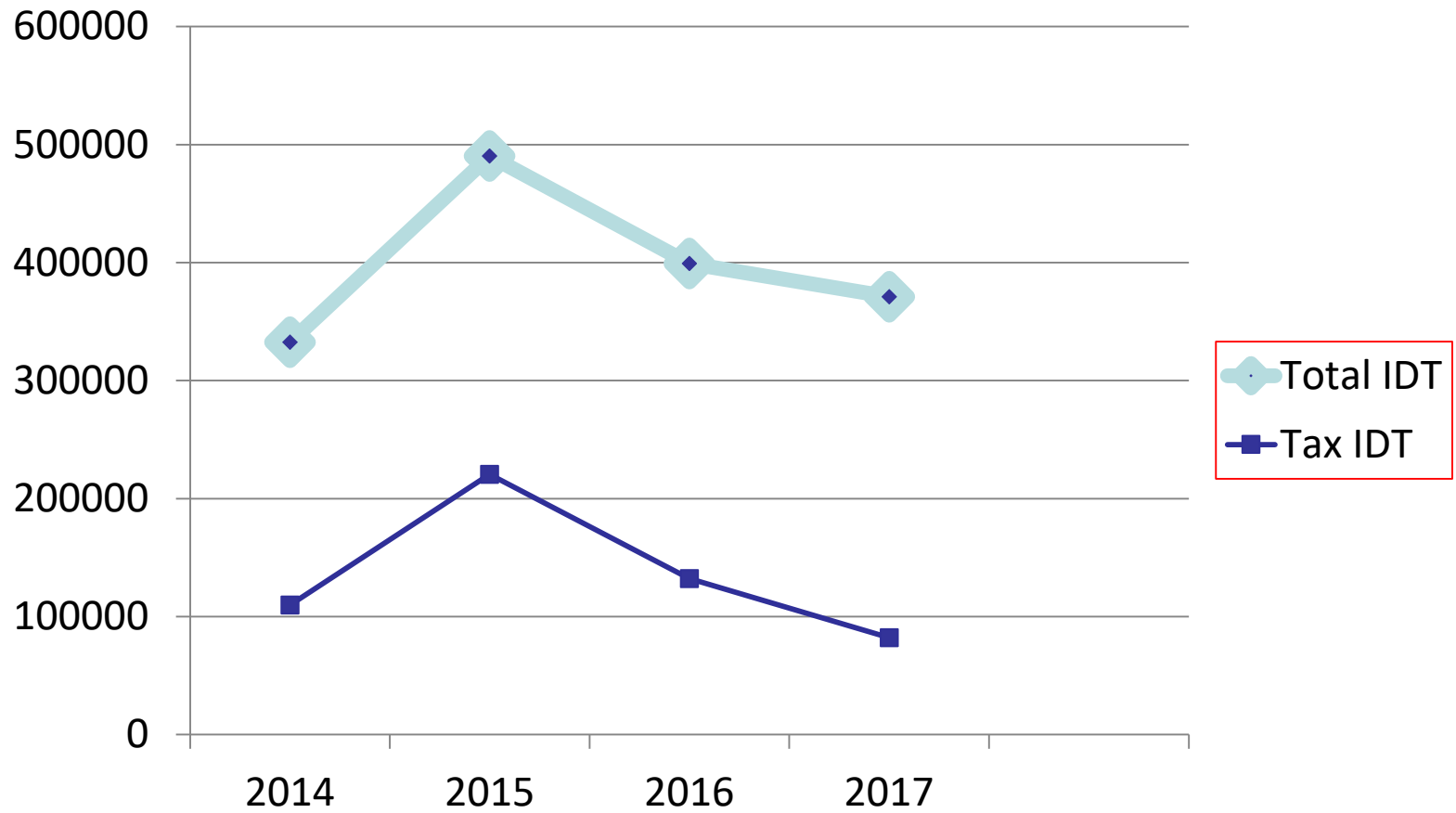
Scope of the Tax Id Theft Problem

	2014	2015	2016	2017
Percentage of Id Theft Complaints that are Tax-related	33%	45%	33%	22%

Consumer Sentinel Data

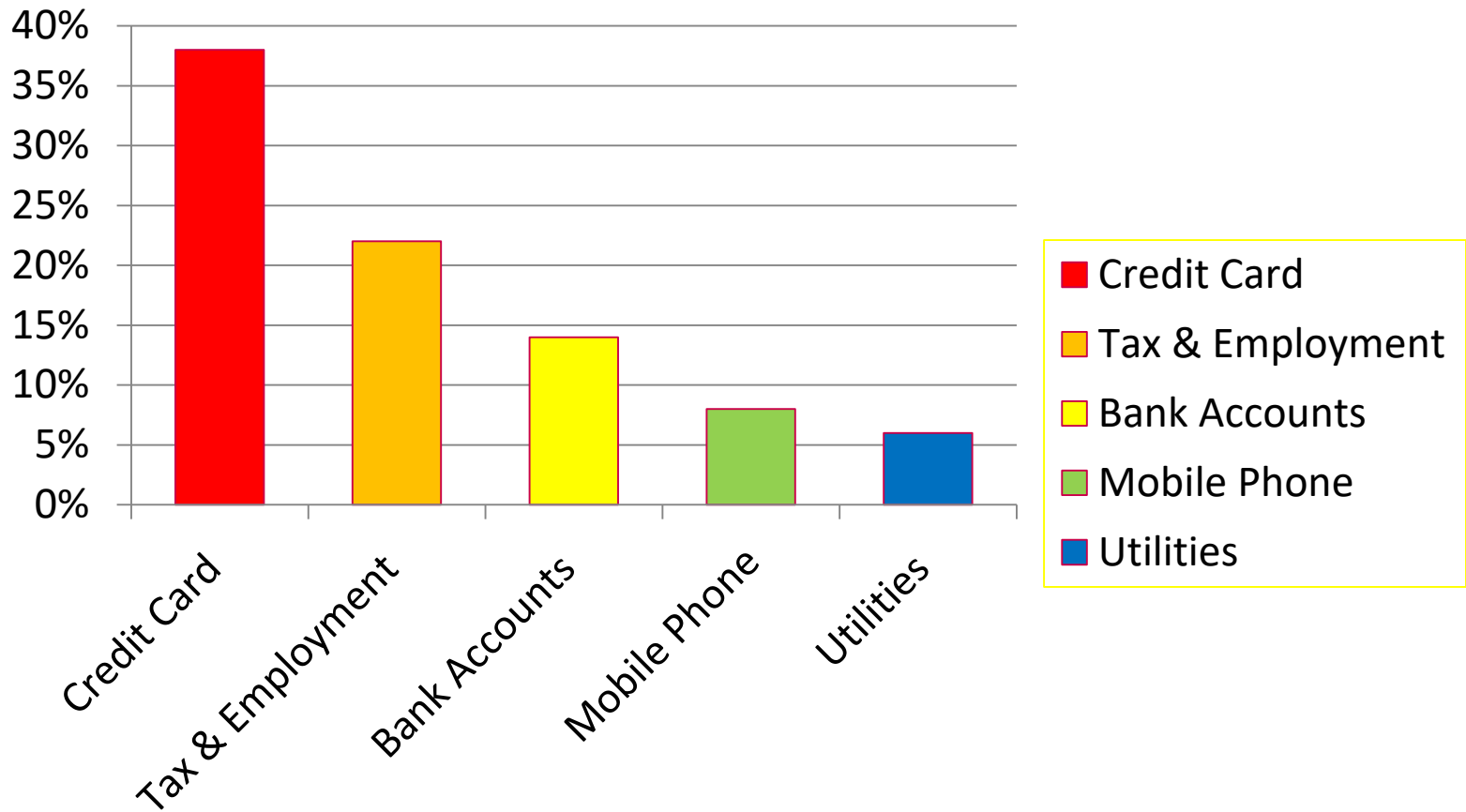


Trends in Total & Tax IDT



Top Identity Theft Complaints

2017 Sentinel Data



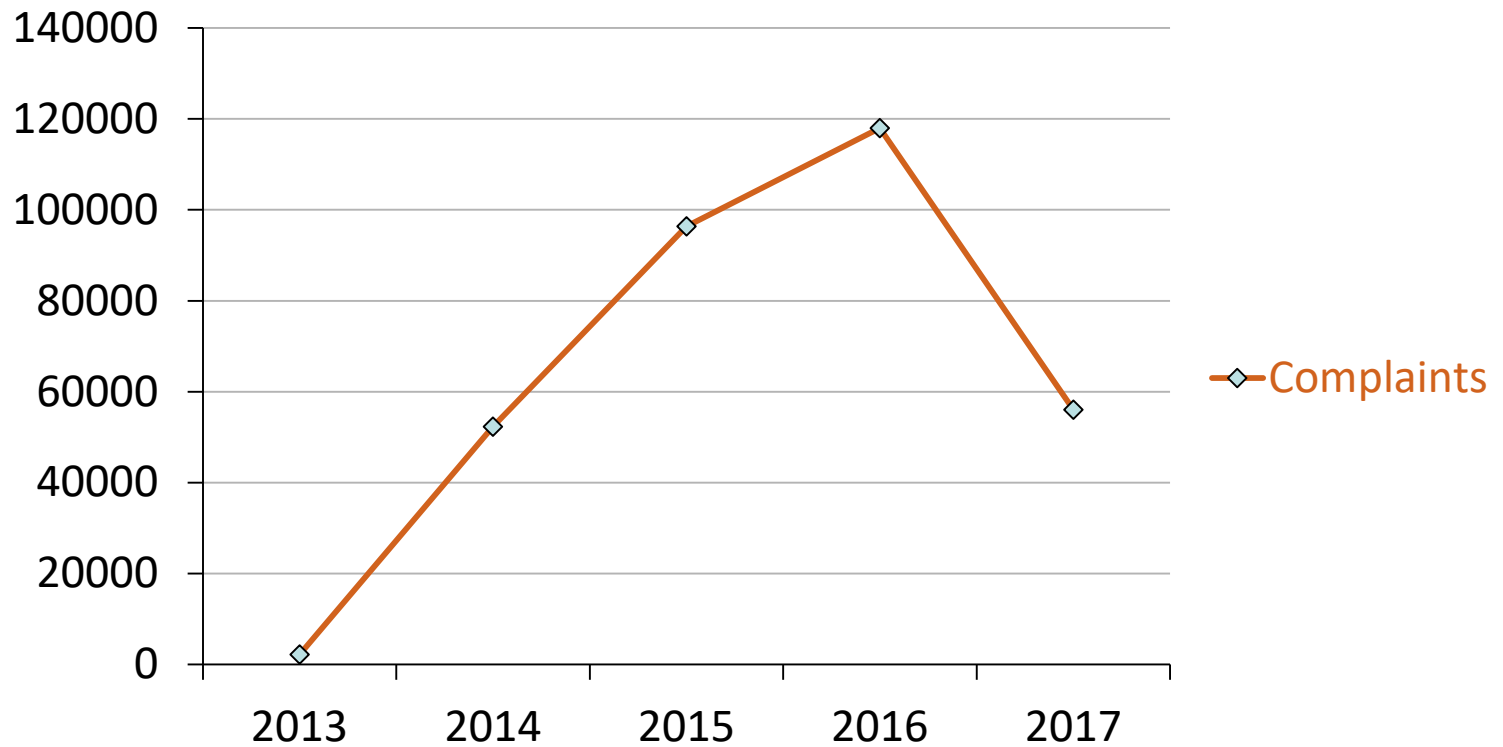
IRS Imposter Scams – FTC Stats

- 2013 2,185
- 2014 52,343
- 2015 96,371
- 2016 117,943
- 2017 56,065



IRS Imposter Scams

Complaints



How Does Tax Identity Theft Happen?

How Does Tax Identity Theft Happen?

- Lost or stolen wallets, Medicare cards, smartphones
- Theft by family, friends, visitors, advisors
- Dumpster diving
- Stolen mail or tax returns
- Imposter scams
- Corrupt insiders
- Corrupt tax preparation services



How Does Tax Identity Theft Happen Online?

- Data breaches
- Phony emails from imposters
- Unsecure Wi-Fi hotspots
- Peer-to-peer file sharing
- Downloading software or apps from unknown sources



Warnings Signs of Possible Tax Identity Theft

- Social Security number is lost, stolen, or compromised
- Unusual delay in getting a refund
- IRS notification:
 - duplicate tax return filing
 - unreported income
 - duplicate dependents



How to Lessen Your Chance of Becoming a Victim

Understanding Identity Theft

- Your identity is valuable, regardless of your perceived status



Practicing Good Identity Hygiene for Individuals

- Small actions add up
- It's not just what you do, but what you don't do



Case Study – What Not to Do

- Veronica
- Edgar



Tips to Minimize Your Risk of Identity Theft

S **trengthen passwords & privacy settings**
Use at least 8 characters (numbers, symbols, upper/lower case) for your password and adjust/update your social media privacy settings, if necessary

H **andle PII with care**
Don't give out Personal Identifying Information (PII) unless absolutely necessary

R **ead credit reports annually**
Go to AnnualCreditReport.com for a free credit report annually

E **mpty your purse/wallet**
Don't carry any more than necessary and never your Social Security card

D **iscuss these tips with friends**
Share your knowledge and educate those around you



Tips to Minimize Your Risk of Tax Identity Theft

- **Who?**
 - Know your tax preparer
- **When?**
 - File first: beat the crooks. File your returns as early in the tax season as possible
- **How?**
 - If mailing, do not put tax returns in outgoing mail; mail tax returns directly from the post office
 - If filing electronically, use a secure network
 - Store returns securely and shred drafts



Practicing Good Identity Hygiene For Your Business

- Protecting their data is YOUR responsibility
- It can happen to you
- It can be a business ending event



Reducing the Risk of Identity Theft

- **Protect what you have**
 - Minimize personal information in wallets or on smartphones
 - Keep personal information secure - locked
- **Be careful what you share**
 - Don't give info unless you know who's asking and why
 - Don't click on links sent in unsolicited email
- **Monitor**
 - Review mail and financial statements
 - Annualcreditreport.com
- **Dispose properly**
 - Shred



What to Do If You're a Victim



FEDERAL TRADE COMMISSION

IdentityTheft.gov

Log In

En Español

Report identity theft and get a recovery plan

Get Started →

or browse recovery steps

IdentityTheft.gov can help you report and recover from identity theft.

HERE'S HOW IT WORKS:



Tell us what happened.

We'll ask some questions about your situation. Tell us as much as you can.



Get a recovery plan.

We'll use that info to create a personal recovery plan.



Put your plan into action.

If you create an account, we'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.



Which statement best describes your situation?

I want to report identity theft.



Someone else filed a Federal Tax return using my information.



Someone has my information or tried to use it, and I'm worried about identity theft.



My information was exposed in a data breach.



Something else.



Got Feedback? Tell us what you think.

IdentityTheft.gov is the federal government's one-stop resource for Identity theft victims. The site provides streamlined checklists and sample letters to guide you through the recovery process.

Visit ftc.gov/idtheft for prevention tips and free resources to share in your community.

[Privacy Policy](#)

[Create a Personal Recovery Plan](#)

[Browse Recovery Steps](#)

[Know Your Rights](#)

[Sample Letters](#)

[Warning Signs of Identity Theft](#)

[What To Do If Your Info Is Lost or Stolen](#)

[Helpful Contact Info](#)



- 1 Theft Details
- 2 Your Information
- 3 Suspect Information
- 4 Additional Information
- 5 Personal Statement
- 6 Review Your Complaint

Report Identity Theft to the FTC and the IRS

Next, we are going to ask for specific details. We will use the information you provide to create your:

FTC Identity Theft Report



IRS Identity Theft Affidavit



Recovery Plan



How we handle your information

It's up to you to determine how much personal information you want to provide. The FTC enters this information into a secure online database that law enforcement agencies use in their investigations.

Please read our [Privacy Policy](#) to learn more about how we safeguard your personal information.

OMB Control Number: 3084-0047

These will help you **fix problems** caused by the identity theft.

Continue →

← Start Over



- 1 Theft Details
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Fill in what you know. If you don't know, leave it blank.

Tax Fraud

When did you find out that someone was using your information to file taxes?

Month: Year:

Have you submitted an IRS Identity Theft Affidavit (Form 14039)?

What's this?

- No, not yet
- Yes

Did you receive a notice or letter from the IRS about this matter?

- Yes, please provide the number listed on the notice or letter
- No

What was the last year you filed a Federal Tax return?

List the tax year(s) you experienced identity theft. Please provide up to 8 years.



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IdentityTheft.gov

[Log In](#)

 **CHAT WITH OUR SUPPORT TEAM**
(mon-fri, 9am - 8pm EST)

1 Theft Details

2 Your Information

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6 Review Your Complaint

Great, your two reports are ready for review.

FTC Identity Theft Report



IRS Identity Theft Affidavit

&



Let's review your FTC Identity Theft Report first.

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FEDERAL TRADE COMMISSION

Identity Theft Report

FTC Report Number:
(to be generated)

I am a victim of Identity theft. This is my official statement about the crime.

Contact Information

Tanya Taxpayer
123 Main St.
Washington, DC 20580

202-326-2717
TanyaTaxpayer5@mallinator.com

Personal Statement

In January 2018, I tried to e-file my 2017 tax return, but got a message back saying that the IRS already had received a 2017 tax return with my name and Social Security number. I was due a \$1,300 refund!

Tax Fraud

Date that I discovered it
1 / 2018

Under penalty of perjury, I declare this information is true and correct to the best of my knowledge.

I understand that knowingly making any false statements to the government may violate federal, state, or local criminal statutes, and may result in a fine, imprisonment, or both.

Tanya Taxpayer
Tanya Taxpayer

01/09/2018
Date

Use this form to prove to businesses and credit bureaus that you have submitted an FTC Identity Theft Report to law enforcement. Some businesses might request that you also file a report with your local police.

Identity Theft Affidavit

Complete this form if you need the IRS to mark an account to identify questionable activity.

Section A - Check the following boxes in this section that apply to the specific situation you are reporting (Required for all filers)

1. I am submitting this Form 14039 for myself
2. This Form 14039 is submitted in response to a 'Notice' or 'Letter' received from the IRS
- Please provide 'Notice' or 'Letter' number(s) on the line to the right:
 - Please check box 1 in Section B and see special mailing and faxing instructions on reverse side of this form.
3. I am submitting this Form 14039 on behalf of my 'dependent child or dependent relative'.
- Please complete Section E on reverse side of this form.
 - Caution: If filing this on behalf of your 'dependent child or dependent relative', filing this form will protect his or her tax account but it will not prevent the victim in Section C below from being claimed as a dependent by another person.
4. I am submitting this Form 14039 on behalf of another person (other than my dependent child or dependent relative).
- Please complete Section E on reverse side of this form.

Section B - Reason For Filing This Form (Required)

Check only ONE of the following boxes that apply to the person listed in Section C below.

1. Someone used my information to file taxes
2. I don't know if someone used my information to file taxes, but I'm a victim of identity theft

Please provide an explanation of the identity theft issue, how you became aware of it and provide relevant dates. If needed, please attach additional information and/or pages to this form.

In January 2018, I tried to e-file my 2017 tax return, but got a message back saying that the IRS already had received a 2017 tax return with my name and Social Security number. I was due a \$1,300 refund!

Section C - Name and Contact Information of Identity Theft Victim (Required)

Victim's last name	First name	Middle Initial	Taxpayer Identification Number (Please provide 9-digit Social Security Number)
Taxpayer	Tanya		123-45-6789

Current mailing address (apartment or suite number and street, or P.O. Box) if deceased, please provide last known address

123 Main St.

Current City

Washington

State

DC

ZIP Code

20580

Tax Year(s) you experienced identity theft (if not known, enter "Unknown" in one box below)

2016

What is the last year you filed a return

2017

Address used on the last filed tax return (if different than "Current")

Names used on last filed tax return (if different than "Current")

City (on last tax return filed)

State

ZIP Code

Telephone number with area code (Optional) if deceased, please indicate "Deceased"

Home telephone number

(202)-326-2717

Cell phone number

Best time(s) to call

7 AM-11 AM

Language in which you would like to be contacted: English Spanish**Section D - Penalty of Perjury Statement and Signature (Required)**

Under penalty of perjury, I declare that, to the best of my knowledge and belief, the information entered on this Form 14039 is true, correct, complete, and made in good faith.

Signature of taxpayer, or representative, conservator, parent or guardian

Tanya Taxpayer

Date Signed

01/09/2018



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CHAT WITH OUR SUPPORT TEAM
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FTC Identity Theft Report



IRS Identity Theft Affidavit



&

Your FTC and IRS reports are ready to go.

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Almost Done! We recommend creating a **free account** so you can:

- **Download** your IRS Identity Theft Affidavit (Form 14039) anytime
- Get a **personal recovery plan** that tracks your progress
- Print **prefilled** letters and forms
- Return anytime to **update and view** your FTC Identity Theft Report
- **Save time** if this ever happens again

Yes, submit and create account →

No thanks, submit and download a one-time copy

I understand that I will **NOT** be able to make updates.
Instead, I will receive a **one-time copy** of my documents.

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CHAT WITH OUR SUPPORT TEAM
(mon-fri, 9am - 8pm EST)

Great. Your account has been created!

Here, you can download your FTC Identity Theft Report, or interact with your recovery plan.

Click on the first step, and we'll guide you through the process. We've prefilled letters and forms to make it easier for you.

Ok, got it.

You have successfully submitted your IRS Identity Theft Affidavit (Form 14039).

Please complete the remaining recovery plan steps.

Ok, got it.

Your Recovery Plan

Print

Contact the IRS.

Place a fraud alert on your credit reports.

Review your credit reports for fraud.

Consider placing an extended fraud alert or credit freeze.

[Hide Completed Items](#)

Report identity theft to the FTC.

FTC Identity Theft Report & IRS Identity Theft Affidavit (Form 14039)

Your FTC Identity Theft Report*

[Update](#) [Download PDF](#)

Did you discover a new fraudulent account? Go to [your report](#), and click "Add a Theft."

Your IRS Identity Theft Affidavit (Form 14039)

[Download PDF](#)

Submitted 01/09/2018

*This report proves to businesses that your identity was stolen.



CHAT WITH OUR SUPPORT TEAM
(mon-fri, 9am - 8pm EST)

← Save and Go Back to Your Plan

Contact the IRS.

Completed? Tasks

If you get an IRS notice in the mail, follow the instructions provided.

🔗 Did the notice say you were paid by an employer you don't know? Send a letter to the employer explaining that someone stole your identity, and that you don't work for the employer.

Complete IRS Identity Theft Affidavit (Form 14039), and then mail or fax it according to the instructions.

Download PDF

Submitted 01/09/2018

File your tax return, and pay any taxes you owe. You might have to mail paper tax returns.

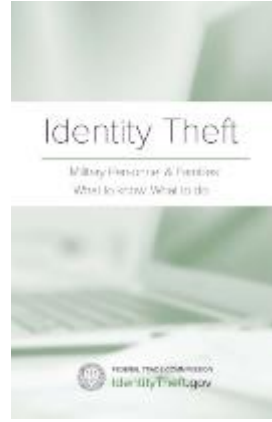
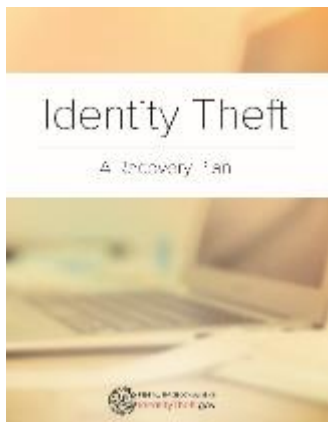
If these steps don't resolve your situation, contact the IRS for specialized assistance at 1-800-908-4490.

🔗 Write down who you contacted and when. Keep copies of any letters you send.

← Save and Go Back to Your Plan

Identity Theft

- Free print materials to order:
www.ftc.gov/bulkorder



IRS Imposter Scams

What are IRS Imposter Scams?

- Scammers posing as the IRS call and say you owe taxes
- They might also:
 - Threaten to arrest or deport you if you don't pay
 - Know all or part of your SSN



What are IRS Imposter Scams? (continued)

- They might also:
 - Rig caller ID to make it look like call is from DC (202 area code) so you think it is the IRS
 - Demand immediate payment by pre-paid debit card or wire transfer
 - Send bogus IRS emails to further the scheme



IRS Imposter Scams – What You Need to Know

- The IRS will not ask you to pay with prepaid debit cards or wire transfers
- The IRS will not ask for a credit card number over the phone
- The IRS will not threaten arrest, deportation or loss of your drivers license



IRS Imposter Scams – What You Need to Know (continued)

- If the IRS needs to contact you, they will **generally** first do it by mail
- If you have any doubts, call the IRS directly at 800-829-1040



Report IRS Imposter Scams

- TIGTA = Treasury Inspector General for Tax Administration
 - [tigta.gov](https://www.tigta.gov)
 - 800-366-4484
- FTC
 - [ftc.gov/complaint](https://www.ftc.gov/complaint)
 - 877-FTC-HELP



Questions? Contact Us!

- ITRC
 - idtheftcenter.org
 - 888-400-5530 (toll-free)
 - Live Chat feature
 - itrc@idtheftcenter.org
 - ID Theft Help App
- FTC
 - ftc.gov/complaint
 - 877-FTC-HELP
 - Ischifferle@ftc.gov



Thank You!