



Identity Theft During Tax Season

A review of six risks to your identity and money

Accountants and tax return preparers aren't the only busy ones during tax return filing season. Scammers and abusers of the system are active as well. The Internal Revenue Service (IRS) strives to educate taxpayers and combat the scammers through various resources, one of which is their annual list of the top scams--the "Dirty Dozen Tax Scams."

We've pulled six of the dozen shared by the IRS for the 2015 filing season to review. These six scam descriptions give words of warning to taxpayers to help them avoid identity theft and fraud schemes most prevalent this time of year.

1 Phone Scams

Criminals impersonating IRS agents make calls using aggressive speech and threats of police arrest, license revocation and other things to scare people in to sending them money. "These criminals try to scare and shock you into providing personal financial information on the spot while you are off guard," said IRS Commissioner John Koskinen. "Don't be taken in and don't engage these people over the phone."

2 Phishing

Criminals also use email and websites to imitate the IRS with hopes of stealing your personal information and money. "The IRS won't send you an email about a bill or refund out of the blue," said Koskinen. "I urge taxpayers to be wary of clicking on strange emails and websites. They may be scams to steal your personal information."

3 Identity Theft

Tax-related identity theft is a popular method of stealing money from the government. It occurs when someone uses your stolen Social Security number to file a tax return claiming a fraudulent refund. This causes problems for the taxpayer who is legitimately associated with the Social Security number. Commissioner Koskinen advises, "Keep your personal information safe and secure. Taxpayers should protect their computers and only give out their Social Security numbers when absolutely necessary."

4 Return Preparer Fraud

Some trouble makers are dishonest tax return preparers who set up shop each filing season to perpetrate refund fraud, identity theft and other scams that hurt taxpayers. For tips from the IRS for choosing a tax return preparer see <http://www.irs.gov/Tax-Professionals/Choosing-a-Tax-Professional>

5 Inflated Refund Claims

Other unscrupulous types promise inflated refunds. "Every filing season, scam artists lure victims in by promising outlandish refunds," said Koskinen. "Taxpayers should be wary of anyone who asks them to sign a blank return, promise a big refund before looking at their records, or charge fees based on a percentage of the refund."

If you fall for their offers, you will have your claim rejected or have to return the money obtained by the fraudulent claims and pay a penalty and interest. Plus, you lose the money paid to the scammer to prepare the tax return.

6 Fake Charities

Some criminals set up fake charities using names that are similar to nationally known organizations to attract donations from unsuspecting contributors. When making a donation, take a few extra minutes to ensure your money goes to legitimate and currently eligible charities. The IRS has the tools taxpayers need to check out the status of charitable organizations. See <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>.

Not filing your return in April? That doesn't mean you might not face these dangers. Kroll's Investigators see an uptick in tax-related identity theft calls as the weeks approaching October 15th pass by because that this the filing deadline for those who requested a filing extension in April.