

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

precautions.

Feb. 21, 2013

News reports of tax identity theft have been surging lately, especially with the reported thousands of cases in the last month in Florida alone. This should be a good reminder for people to be more and more careful with their personal and private data.

However, a new [survey](#) from [TrustedID](#), an identity protection and privacy service, shows that more than half of consumers believe that the IRS is 100 percent responsible for ensuring that no one can file a return in their name and claim their tax refund.

While technology advances have allowed the IRS to handle many more returns more quickly, the systems are not perfect, of course. That's especially so when the agency is expected to issue refunds within 10 days of receipt of an income tax return.

According to the United States House Committee on Oversight & Government Reform, over 1.1 million tax returns were filed by identity thieves for the 2011 processing year, up more than 21 times from just 51,700 fraudulent returns in 2008. In addition, the Treasury Inspector General for Tax Administration believes that tax identity theft could cost the IRS approximately \$21 billion in fraudulent returns in the next five years.

This fast growing problem has created new challenges that will require the IRS to confront the latest opportunity for identity thieves—stealing tax refunds. The National Taxpayer Advocate, Nina Olson, recently reviewed this growing problem, finding that the IRS has been ineffective in assisting tax identity theft victims, citing internal organizational as well as procedural issues.

While the IRS is under fire, over 50% of consumers still believe that the IRS is

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

perception and reality.”

The TrustedID survey also found that more than half of the consumers surveyed were unaware of and confused about what tax identity theft is and two-thirds of consumers did not have a good understanding of tax identity theft.

“Tax identity theft is a big problem that has grown exponentially over the course of a few short years. The IRS has an obligation to increase awareness of this threat and consumers need to better familiarize themselves with the issue and how to protect themselves, especially since effective assistance might not be available once their identity has been compromised,” added Mitic.

To help proactively safeguard information during tax season, TrustedID offers the following tips:

- **Monitor your tax documents closely.** Make a list of everyone who pays you, including employers, banks and brokerages, and make sure you receive hard copies in the mail of what they send to the IRS.
- **Beware of IRS-related scams.** If you receive an email or phone call asking for your personal or financial information, delete it or send it to the FTC at spam@uce.gov for investigation. The IRS will never email taxpayers about issues related to their accounts or ask for your Social Security number or financial details over the phone. If you have any doubt whether a contact from the IRS is authentic, call them directly to confirm it.
- **Review carefully if filing with a 3rd Party.** When using software, a CPA, EA or other tax service to prepare your taxes, ensure you are reviewing all the information carefully and that all the original paperwork is returned to you. Be diligent if you are e-filing. With e-filing, evidence of fraud is difficult to find—there are no signed tax forms, envelopes, or fingerprints. It's easy for criminals to

e-file using a real name and SSN and a phony W-2 or Schedule C. If you're filing

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

control. Additional survey results are available on [TrustedID's blog](#). For more information about TrustedID products and services, visit www.trustedid.com.

Methodology

The survey was completed between February 5, 2013 and February 10, 2013 by 1,278 individuals 25 years old and older across the country using Survey Monkey's Targeted Audience. Participants had no affiliation with TrustedID. Key questions included whether or not respondents had heard of tax identity theft (Yes or No), to what extent they agreed that the IRS is 100% responsible for ensuring no one can file a return in my name and claim my refund (Totally Agree, Mostly Agree, Neutral, Somewhat Disagree, Totally Disagree), and how trustworthy the IRS is related to protecting social security numbers and personal information (Extremely Trustworthy, Very Trustworthy, Somewhat Trustworthy, Minimally Trustworthy, Not At All Trustworthy).

Income Tax • IRS • Taxes • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved