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A fraud scheme that appears to target the federal tax returns of doctors and other health care professionals has affected several hundred people in several states, including at least 35 doctors in Maine.

Gordon Smith, executive vice president of the Maine Medical Association, said Thursday that his organization expects to hear from more physicians whose Social Security numbers were used to file fraudulent returns and whose refunds were stolen.

"It has heated up in the last couple weeks, but we really don't know where the breach is coming from, so I'm not sure how many more are out there," Smith said.

The fraud appears to have hit other medical professionals besides doctors as well.

Nancy Johnson, a retired nurse from Cape Elizabeth, said she filed her taxes with H&R Block on April 9 and her accountant told her to expect a nice refund.

"Then I got a call saying the return didn't go through. Someone had already filed with my Social Security number," Johnson said.

Medical professionals in several other states have apparently been affected by the same scheme.

On Wednesday, New Hampshire Sen. Jeanne Shaheen called on the Internal Revenue Service and the U.S. Secret Service to investigate more than 100 cases of tax fraud against doctors in her state and another 40 in neighboring Vermont. The North Carolina Medical Society says it has heard from at least 100 health care professionals

who believe tax returns were fraudulently filed in their names and their refunds

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originated from. Maine physicians' personal information is housed in dozens of databases.

Smith also expects the number of people affected to go up, partly because many doctors file extensions on their returns, so they may not find out until the summer or fall whether their identities have been stolen.

No matter where the breach occurred, Knowlton said it's always a good idea for any business, and especially health care businesses, to take steps to ensure the safety of their digital records.

"There is a lot of valuable data that is stored on medical networks, so that makes them a prime target," he said.

Matt Paul, a spokesman for Maine Medical Center in Portland, the state's largest hospital, said a handful of doctors there have been affected.

"We don't believe this is a local thing," he said. "We've done a forensic evaluation of all of our data systems and don't believe that any of our systems have been breached."

Johnson has not worked for Maine Medical Center in about 20 years, but still receives a small pension. She said she thinks that could be how her information got compromised.

"I'm always careful," she said. "I shred all documents that have my information and I don't give my Social Security number out often."

Smith with the Maine Medical Association said the problem is more of an annoyance than anything else. But he also said the IRS doesn't appear to have the resources to

combat the problems before people are defrauded. In 2012, the IRS handed out almost

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147 million individual tax returns last year and issued more than \$333 billion in refunds.

“Identity theft starts outside of the tax administration system when someone's personal information is stolen or lost,” she said in a prepared statement. “Identity thieves may then use a taxpayer's identity to fraudulently file a tax return and claim a refund. Identity theft is one of the fastest growing crimes nationwide, and refund fraud caused by identity theft is one of the biggest challenges facing the IRS.”

From 2011 to 2013, the IRS increased the number of fraud investigations initiated from 276 to 1,492.

Taxpayers who have been defrauded eventually receive their refunds, but someone who is counting on one may have to wait several months while the IRS confirms who the real taxpayer is and disburses the money.

Knowlton said hackers are always going to be on the lookout for unprotected data systems and that small practices are the most susceptible because they often don't spend a lot of money and effort to protect their information.

“The best thing you can do is put preventative measures in place,” he said. “One breach could put a small practice out of business.”

Smith said all of the doctors he has corresponded with about the tax fraud scheme have taken it in stride.

“I'm amazed at how calm they have been,” he said. “I guess (identity theft) is just part of the world we now live in.”

Knowlton agreed.

“More and more records are becoming electronic and it's not just medical records,”

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