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House hearing Thursday. There were 248,357 incidents in 2010, compared to 51,702 in 2008.

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WASHINGTON (AP) — Imagine filing your tax return and learning that someone else got your refund. With your name and Social Security number, no less.

The IRS is grappling with a nearly five-fold increase in taxpayer identity theft between 2008 and 2010, a Government Accountability Office official plans to tell a House hearing Thursday. There were 248,357 incidents in 2010, compared to 51,702 in 2008.

The GAO findings, obtained by The Associated Press, don't begin to describe the pain for a first-time victim, who must wait for a refund while the IRS sorts out which return is real and which is a fraud.

Many identity thieves don't get prosecuted, according James White, director of strategic issues for the GAO..

"IRS officials told us that IRS pursues criminal investigations of suspected identity thieves in only a small number of cases," White says in testimony prepared for a House Oversight and Government Reform subcommittee.

He said that in the 2010 fiscal year, the IRS criminal investigations division initiated just over 4,700 investigations of all types — far less than the identity theft cases alone.

"We want to know why this problem is apparently getting much worse," said Rep. Todd Platts, R-Pa., chairman of the subcommittee. "By bringing these issues to the public as quickly as possible, the committee hopes to give citizens the necessary information so they can protect themselves from such identity theft."

IRS Commissioner Douglas Shulman, in his prepared statement, defended the

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will report the thief's wage information to the IRS, as would the legitimate taxpayer's employer. The victim then would receive an unwelcome IRS notice that he or she failed to report everything that was earned. The victim would then need to work with the tax agency to sort things out.

Shulman said the IRS can significantly increase its protection after someone has been victimized the first time.

One victim, LaVonda Rae Thompson, 52, of York, Pa., plans to tell the committee about what she calls "my nightmare."

She had to make rounds of calls to the IRS and other government agencies, sometimes repeating the same information. She spoke on the phone with an IRS employee she described as "the most rude and discourteous person I have ever spoken with in my life."

She was told her refund would take 16 weeks to six months.

She closed her bank accounts and opened new ones. She ordered new checks. She placed a 90-day alert on her credit reports. She often has to show her IRS identity theft affidavit.

"You may not be able to know how stressful this has been," she said in her statement. "I can't sleep. I wonder what the person will do next as far as trying to get credit cards or anything in my name."

Tax form 14039, the IRS Identity Theft Affidavit, allows the agency to mark an account to identify future questionable activity. A task force of the IRS and other agencies established a website, STOPFRAUD.gov, which tells taxpayers what to do if they suspect identity fraud.

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Victims are issued an “identity protection personal identification number,” which the IRS will use to process future returns. A new PIN will be issued each year the taxpayer’s account has been marked for potential fraud.

Online: IRS website: <http://www.irs.gov>

IRS

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