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The Internal Revenue Service has issued a filing season alert warning taxpayers to watch out for identity theft at tax time, one of the year's "Dirty Dozen" tax scams. The IRS continues to aggressively pursue the criminals that file fraudulent returns using someone else's Social Security number.

"We remain dedicated to stopping tax-related identity theft and protecting taxpayers, and we are making important progress on that front. Taxpayers still need to be extremely careful and do everything they can to avoid becoming a victim," said IRS Commissioner John Koskinen.

The Dirty Dozen is compiled annually by the IRS and lists a variety of common scams taxpayers may encounter any time during the year. Many of these con games peak during filing season as people prepare their tax returns or hire someone to do so. This year for the first time, the IRS will issue the individual Dirty Dozen scams the next 12 business days to raise consumer awareness.

"Scams can be sophisticated and take many forms. We urge people to protect themselves and use caution when viewing e-mails, receiving telephone calls or getting advice on tax issues," Koskinen said. "Keep your personal information safe and secure. Taxpayers should protect their computers and only give out their Social Security numbers when absolutely necessary."

Tax-related identity theft occurs when someone uses your stolen Social Security number to file a tax return claiming a fraudulent refund. While the IRS has made

significant strides over the past several years to address this issue, it remains a top

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returns. These pre-refund filters stop the vast majority of fraudulent returns.

Additionally, the IRS continues to expand its partnerships with financial institutions to identity and stop fraudulent refunds.

IRS Criminal Investigation continues its robust efforts, and in Fiscal Year 2014, the IRS initiated 1,063 identity theft-related investigations. Criminal Investigation enforcement efforts resulted in 748 sentencings as compared to 438 in FY 2013, an increase of 75 percent. Our incarceration rate rose to 87.7 percent as compared to 80.6 percent in FY 2013. The courts imposed significant jail time with the average months to serve in FY 2014 at 43 months as compared to 38 months in FY 2013 with the longest sentencing being 27 years.

Fighting identity theft is an ongoing battle as identity thieves continue to create new ways of stealing personal information and using it for their gain. Identity theft cases are among the most complex handled by the IRS. The IRS is continually reviewing processes and policies to minimize the incidence of identity theft and to help those who find themselves victimized. The IRS is working hard to streamline its internal process, but more work remains.

In an effort to help victims, the IRS has issued approximately 1.5 million Identity Protection PINs (IP PINs.) The IP PIN is a unique, six-digit number that is assigned annually to victims of identity theft with resolved cases for use when filing their federal tax return. The IP PIN will allow these individuals to avoid delays in filing returns and receiving refunds.

This year, the IRS will continue its IP PIN pilot program that allows taxpayers who filed tax returns last year from Florida, Georgia or the District of Columbia to opt into the IP PIN program. Additionally, the IRS is offering approximately 1.7 million taxpayers the opportunity to opt in to the IP PIN program in instances where the IRS has identified indications of identity theft on their accounts.

The IRS understands that identity theft is a frustrating, complex process for victims.

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- 2. Don't give a business your SSN or ITIN just because they ask. Give it only when required.
- 3. Protect your financial information.
- 4. Check your credit report every 12 months.
- 5. Review your Social Security Administration earnings statement annually.
- 6. Secure personal information in your home.
- 7. Protect your personal computers by using firewalls and anti-spam/virus software, updating security patches and changing passwords for Internet accounts.
- 8. Don't give personal information over the phone, through the mail or on the Internet unless you have initiated the contact or you are sure you know who you are dealing with.

**Taxes** 

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