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Identity Theft, The Internal Revenue Service, and the Accounting
Profession

What is Tax Related Identity Theft?

- Refund Related Identity Theft:
 - a stolen US Social Security number used to file a fake tax return and obtain a fraudulent refund
- Employment Related Identity Theft:
 - Identity Thief uses a stolen SSN to obtain employment

Detection of Tax Related Identity Theft

- Taxpayer's electronically filed tax return is rejected by the Internal Revenue Service (IRS)
- Taxpayer receives a request to confirm filing before taxpayer has filed.
- Taxpayer receives notification of current or past due balance
- Taxpayer receives notification of wages not earned by them
- Incorrect or wrong refund
- IRS notification that you may be a Victim

What the IRS is doing:

- Expanded efforts by the IRS to better protect taxpayers and help victims
 - 3,000 employees dedicated to Identity Theft
 - training to an additional 35,000 employees to improve detection and expedite resolution for victims
- IP PIN Program
 - An IP PIN is a six digit number assigned to eligible taxpayers that helps prevent the misuse of your Social Security number on fraudulent federal income tax returns
 - You are eligible for this program if you are a victim of ID Theft and want to electronically file your tax return
 - There is an online verification process – not available for all taxpayers

Recent Statistics

ID Theft Victim Assistance Cases	FY 2012	FY 2013	FY 2014
Cases Received	654,564	607,055	546,200
Cases Closed	372,129	862,081	599,485
Average Number of Days for Case Resolution	126	131	60
Ending Inventory	382,329	127,303	74,018

IRS Protocol After Discovery

- Taxpayer files form 14039
- IRS codes taxpayer account to confirm receipt of ID Theft information
- IRS reconciles taxpayer's account to reflect valid return information
- Taxpayer may receive correspondence from the IRS letting you know they are working on this
- IRS will place an identity protection indicator on the taxpayer's account at resolution
- Eligibility to join IP PIN program via CP01A letter
- Taxpayer enters IP PIN on page 2 of Form 1040
- Self Authentication via secure IRS website

Steps a victim of Tax Related Identity Theft should take

- Contact the IRS
- File a report with the Federal Trade Commission
- Lock your credit
- File a Police Report
- Notify Banks, Credit Card Vendors
- Contact the Attorney General's Office
- Contact the Social Security Administration

Ways to Spot a phone scam

THE IRS DOES NOT

1. Call you about taxes you owe without first mailing you a notice
2. Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
3. Require you to use a specific payment method for your taxes, such as a prepaid debit card
4. Ask for credit or debit card numbers over the phone.
5. Threaten to bring in local police or other law-enforcement groups to have you arrested for not paying.

Safeguard Your Money and Your Identity

- The IRS never initiates contact with you to ask for personal or financial information by:
 1. email
 2. text
 3. social media

Remember:

Do not open email attachments or click on links to websites from unknown sources

Do not give out credit card numbers or confidential passwords to access any of your accounts

Questions and Answers

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