Tax identity theft

Protecting yourself from fraudsters at tax time
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Consumer Action Video: Tax identity theft
What to Know About Tax Identity Theft

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What we’ll cover today

• What is identity theft?
• How does tax identity theft happen?
• Reduce your risk of tax identity theft
• Spot and avoid tax identity theft
• What to do if happens to you [hint: go to IdentityTheft.gov]
• FTC resources/stay connected
Identity theft is when someone uses your personal or financial information without your permission.

To:
• Buy things with your credit cards
• Get new credit cards in your name
• Open a phone, electricity, or gas account in your name
• Use your health insurance to get medical care
• Pretend to be you if they are arrested
• Steal your tax refund
CONSUMER SENTINEL NETWORK DATA BOOK 2021

SNAPSHOT

5.7 MILLION REPORTS

TOP THREE CATEGORIES

1. Identity Theft
2. Imposter Scams
3. Credit Bureaus, Info Furnishers and Report Users

2.8 million fraud reports

25% reported a loss

$5.9 billion total fraud losses
$500 median loss
Tax-Related Identity Theft

Tax-related identity theft is when an identity thief uses your Social Security number (SSN) to get a tax refund or a job.
How does tax identity theft happen?

• Lost or stolen wallets, smartphones, other devices
• Theft by family, friends, visitors, advisors
• Dumpster diving
• Stolen mail or tax forms
• Imposter scams
• Info bought from employees at banks, hotels, hospitals, etc.
• Corrupt tax preparation services
How does tax identity theft happen online?

• Data breaches
• Phishing attacks
• Unsecure Wi-Fi hotspots
• Downloading software or apps from unknown sources
• Peer-to-peer file sharing
Reduce your risk of identity theft

• Use strong passwords
• Share personal information carefully
  • Don’t give info unless you know who’s asking and why
• Don’t click on links sent in unsolicited emails or text messages
• Monitor statements and credit reports
  • Review mail and financial statements
  • AnnualCreditReport.com- free weekly
• Shred documents you don’t need
**Fraud Alerts & Credit Freezes: What's the Difference?**

Looking for ways to protect your identity? Here are two options to consider.

<table>
<thead>
<tr>
<th>Fraud Alert</th>
<th>Credit Freeze</th>
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<tbody>
<tr>
<td>✔ Makes lenders verify your identity before granting new credit in your name. (Usually, they'll call you to verify your identity.)</td>
<td>✔ Restricts access to your credit report to help prevent identity theft. (Usually, you'll need a PIN or password to place or lift the freeze.)</td>
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<tr>
<td>✔ Free</td>
<td>✔ Free</td>
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<tr>
<td>✔ Available to anyone who is or suspects they may be affected by identity theft</td>
<td>✔ Available to anyone</td>
</tr>
<tr>
<td>✔ Lasts one year</td>
<td>✔ Lasts until you lift it</td>
</tr>
<tr>
<td>✔ To place: Contact <strong>one</strong> of the three credit bureaus. That bureau must tell the other two.</td>
<td>✔ To place or lift: Contact <strong>all three</strong> credit bureaus. (If you know which bureau a lender will use, you can lift for only that one.)</td>
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[ftc.gov/IDTheft](http://ftc.gov/IDTheft)
Spot and avoid tax identity theft

#1 Piece of Advice:

File your taxes as early as possible!
The IRS won’t text you about your refund.

**It’s a scam.**

Let us know:

[ReportFraud.ftc.gov](https://www.reportfraud.ftc.gov)

A tax rebate of $268.48 has been issued to you for an over-payment in year 2021-2022. Click the link to continue.

https://irsdown...
Is someone using your personal information to open accounts, buy things, or file taxes?

Report it and get recovery help at IdentityTheft.gov

#IDTheftWeek
Recovering from identity theft is easier with a plan.

IdentityTheft.gov
Order Free Publications
bulkorder.ftc.gov
Stay connected

- Subscribe to FTC consumer alerts: ftc.gov/ConsumerAlerts

- Visit consumer.ftc.gov for articles, blog posts, videos, and infographics on a range of consumer topics
Consumer Action Resources:

- **ID theft presentation deck**: [www.consumer-action.org/modules/articles/id_theft_account_fraud_powerpoint_training_slides](http://www.consumer-action.org/modules/articles/id_theft_account_fraud_powerpoint_training_slides)

- **Just Say No to Scams module**: [www.consumer-action.org/modules/module_scams](http://www.consumer-action.org/modules/module_scams)

- **How to Complain booklet**: [www.consumer-action.org/english/articles/how_to_complain](http://www.consumer-action.org/english/articles/how_to_complain)


- **Scam Gram newsletter**: [www.consumer-action.org](http://www.consumer-action.org) (Join email list on our homepage to receive in your inbox)
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