



## EXTENSION

# PROTECT YOURSELF FROM IDENTITY THEFT DURING TAX SEASON

It is tax season again, that time of year that almost everyone divulges personal information about their financial life to outsiders. It is a perfect time for scammers and thieves to take your information and wreak havoc on your financial well-being.

The IRS pays out billions in refunds yearly to identity thieves, according to a report from the General Accounting Office. Being aware of some of the tricks the scammers use can reduce your chances of becoming a victim, said Cindy Clampet, Oklahoma State University Cooperative Extension assistant family resource management specialist.

"It's important to remember the IRS does not send unsolicited emails to taxpayers. Unfortunately, that doesn't stop people from impersonating the IRS via email to steal your identity in a practice called 'phishing,'" Clampet said.

Phishing works this way - consumers receive an email with the bait such as a fake refund. The email directs the consumer to open an attachment or click a link to a form to claim the refund. But first, you have to divulge personal financial information such as credit card numbers, personal identification numbers or your Social Security number. Consumers can avoid this scam by remembering the IRS will never send you an email requesting this information. However, if you find such an email in your inbox, follow these steps:

- Compare it to a sample of real-life phishing tax scams (<https://www.irs.gov/newsroom/phishing-and-other-schemes-using-the-irs-name>) and forward the email to: [phishing@irs.gov](mailto:phishing@irs.gov)
- Don't open attachments and avoid clicking on links, as they may contain harmful code that infects your computer, potentially exposing your personal information.
- Never volunteer your personal financial information in response to, or to the sender of, an unsolicited email
- Check your refund status with this on-line tool (<https://www.irs.gov/Refunds>) from the IRS.

Clampet said another tax scam is the Refund Anticipation Loan, or RAL.

"A tax preparer might offer a loan that is backed by your projected refund. A RAL lasts one to two weeks or until your refund check arrives and you can repay the loan," she said. "The interest rate, plus the filing fee and same-day processing fee on a tax refund loan can cost you hundreds of dollars, and you will be saddled with debt if your refund doesn't pan out."

Instead, file your return electronically and request the refund be deposited directly in your bank account. Consumers should receive their refund in 10 to 21 days. If you don't have a bank account for electronic deposit, ask a nearby bank or credit union about establishing a low-cost savings account.

How do scammers get your information? Professional scammers purchase lists of stolen names with identification included such as addresses, Social Security numbers and credit card numbers. Identity thieves take legitimate taxpayers' Social Security numbers so they can file false tax returns and cash in on refund checks. They often strike early in the tax season, filing returns before the victims. Often, the taxpayers do not find out they are victims of identity theft until they attempt to file their own tax returns online. Other taxpayers may be notified of the theft through notices from the IRS.

"Filing your taxes early is the best way to prevent tax identity theft of this kind because the IRS allows only one tax return per social security number per year. The first sign of theft may not be a missing refund check," she said.

"By monitoring your credit report regularly, you can see if there is any suspicious activity using your social security number. If you see anything wrong on the report, you can take steps to get it corrected."

If you are the victim of identity theft, check out the IRS's step-by-step guide at <https://www.irs.gov/newsroom/taxpayer-guide-to-identity-theft>, which includes reporting the crime to various local and federal agencies and filing a paper copy of your return with Form 14039 (<https://www.irs.gov/pub/irs-pdf/f14039.pdf>). As you go through the process of reclaiming your identity, make copies of your tax return and store them in a safe place. Be sure to keep the name of any representative you talk to as you mend the situation with your records, along with copies of any letters or emails you send.

If you need help preparing your taxes this year, consider the following free resources:

- Low-to-moderate income earners may qualify for free tax preparation services through the IRS called Volunteer Income Tax Assistance (VITA) program. To find a VITA location in your area, go to <https://irs.treasury.gov/freetaxprep/> or call 1-800-906-9887.
- The Tax Counseling for the Elderly (TCE) offers free tax assistance to those 60 years old and above. The program specializes in pension and retirement issues that are unique to seniors. Learn more about TCE at <https://www.irs.gov/Individuals/Tax-Counseling-for-the-Elderly>.

"If you don't qualify for free and secure tax preparation assistance, be sure to choose a tax professional who has proper credentials," Clampet said. "Avoid anyone who says they can get you a larger refund than other preparers or who bases their fee on a percentage of the refund. Something else to keep in mind is you're responsible for your own return. Although the tax preparer does most of the work, if the IRS confirms fraudulent items in your return, you may be liable for additional taxes, interest and possible penalties."



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