

# Anchin Alert

**Anchin, Block & Anchin LLP**  
**Accountants and Advisors**

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## Identity Theft

Identity thieves stole an estimated \$5.2 billion from the Internal Revenue Service (IRS) this past year. The threat of identity theft and refund fraud has increased substantially over the past few years. It was recently estimated that the IRS could pay \$21 billion in fraudulent refunds over the next five years. The culprits begin their fraud by stealing an individual's Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). Next, they either file a tax return reflecting a tax refund using the stolen SSN or ITIN early in the filing season or gain employment and underwithhold taxes. In both instances, taxpayers often do not realize they have been victim of identity theft until they attempt to file their own tax returns.

The IRS has made significant strides in combating fraudulent tax refunds. However, taxpayers should still review the following security measures as well as familiarize themselves with additional steps to minimize their exposure to identity theft:

- Inform your accountant if you have ever been the victim of identity theft.
- Protect your financial information.
- Do not carry your Social Security Card or any document(s) with your SSN.
- Secure personal information in your home.
- Check your credit report every 12 months.
- Protect your personal computer and change passwords for Internet accounts.
- Do not give personal information over the phone unless you have initiated contact.
- Be aware that the IRS does not initiate contact by email to request personal or financial information. If you receive an email requesting personal information and claiming to be from the IRS, forward the email to [phishing@irs.gov](mailto:phishing@irs.gov).
- Scammers are becoming increasingly aggressive in contacting victims by telephone. Be aware that the IRS will never contact you via telephone. If you do receive a phone call claiming it is the IRS asking for your SSN, hang up and notify your partner immediately.
- If you have experienced a lost or stolen wallet, suspicious credit card activity or credit report, and believe you are at risk, contact the IRS Identity Protection Specialized Unit.

As an example, throughout the first six months of 2013, 1.63 million taxpayers were affected by identity theft. It's crucial to be aware of this ongoing issue and the preventive steps used to avoid being a victim.

If you have any questions, please contact your Anchin relationship partner at 212.840.3456.

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