



IDENTITY THEFT 101:

HOW THIEVES USE FALSE RETURNS TO STEAL FROM YOU

Identity theft is on the rise. The Federal Trade Commission, the lead agency for this crime, and the Internal Revenue Service have seen increases in identity theft occurrences.

What is identity theft? When someone uses your personal information (name, Social Security Number, etc.) without your permission, to commit fraud, theft of goods and services, or other crimes, they are committing identity theft.



Victims of identity theft can spend months or even years cleaning up damage done to their good name and credit record. Victims have lost job opportunities, been denied car loans, mortgages, or educational opportunities. They have even been arrested for crimes they did not commit.

Did you know identity theft can occur for taxpayers filing returns? Thieves can file false tax returns prior to the time, you, the taxpayer would normally file your return. The fraudulent returns use fake information about dependents, deductions, and credits. The refunds are mailed to a fake address or electronically deposited into the thieves' bank accounts. The thieves empty the bank accounts or cash the refund checks and then disappear. When you subsequently file your tax return, the IRS will believe that you have already received your refund. The IRS will reject your return as a second copy or duplicate. If your return was electronically filed (e-filed), your return will be rejected by the IRS computers.

The IRS will send a notification by standard U.S. mail that will state that more than one tax return for you was filed or that you received wages and/or other income from a source (employer or other) unknown to you. If you receive a notice from the IRS regarding your tax return, confirm the notice with the IRS by calling 1-800-829-1040 and follow the telephone prompts or call the name and telephone number printed on the notice.

WHAT TO DO IF YOU ARE A VICTIM OF IDENTITY THEFT

1. File a report with the local police.
 2. Contact your credit card companies and financial institutions.
 3. Contact the fraud departments of the 3 major credit bureaus:
Equifax – 1-800-525-6285 or at www.equifax.com
Experian – 1-888-397-3742 or at www.experian.com
TransUnion – 1-800-680-7289 or at www.transunion.com
 4. Contact your insurance company to protect against any possible false claims.
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PROTECT YOURSELF FROM IDENTITY THEFT

Use these simple steps to protect yourself and your tax records, and minimize your chances of becoming an identity theft victim:

1. Never carry your Social Security card or any other documents with your Social Security Number on it.
2. Give your Social Security number only when it is absolutely necessary.
3. Protect your financial information at all times.
4. Do NOT use public Wi-Fi networks to conduct any financial transactions. Thieves use sophisticated scanners to detect specific number sequences.
5. Use your home computer or only one computer to conduct financial transactions. Financial firms monitor the sources and addresses of financial transactions to detect possible fraud and identity theft.
6. Protect your personal computers with firewalls and anti-virus and anti-spam software. Update your security software often and change passwords frequently.
7. Shred all unnecessary personal information and solicitations.
8. Shred all old tax returns after 4 years and all old receipts (except for major purchases and those items covered under warranty).
9. Check your credit reports annually. You are entitled to a free credit report once each year.
10. Never give personal information over the phone unless you know the person who is calling you.
11. If you believe you are at risk due to a stolen credit card(s), theft of a wallet or purse, or questionable credit card activity, contact the IRS Identity Protection Specialized Unit at 1-800-908-4490.



Please Note: If you receive a bogus or questionable email that appears to have been sent by the IRS, **DO NOT OPEN** the email, any attachment or click on any links. Instead, forward the email to this email address: **phishing@irs.gov**.

The IRS will never send you an email or telephone you. The IRS does NOT request detailed personal or business information via emails.

***Thank You
for
Your Business***

As always, please do not hesitate to contact us with any questions or concerns you may have about any issues covered in the newsletters or any other issues important to you. Your business continues to be appreciated.

Please call us with your tax and financial questions. Steinberg Enterprises provides confidential, convenient services based on over 25 years of practical financial management and tax experience.

We are committed to improving our clients' financial well being.

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