



A Recipe for Fraud Prevention: Bogus Tax Filings



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Laura Rosen, our Tax Director and I sat down to compare notes about an occurrence which can still present a problem for clients even in the final days of tax season: the fraudulent filing of tax returns. It seems that we have both had clients, who have fallen victim to this pervasive form of identity theft.

Moreover, I have seen it first hand from the federal

law enforcement end, where organized groups of cyber criminals steal data from a variety of sources, to include accounting firms in order to perpetrate this crime. What we decided to do is provide our clients with “an ounce of prevention” and if necessary “a pound of cure.” It is never too late to reinforce these tips as we come down the home stretch.

Where can I find an ounce of prevention?

- Avoid Social Engineering telephone scams to obtain your personally identifiable information (PII):

“Hello James this is Steve Martin from the Treasury Department, we would like to talk to you about your return”. This was an actual phone call I received, and although the actual Steve Martin, is a wild and crazy guy, an odd accent on what sounded like a vinyl recording of Ozzy Osborne in the background did not pass the smell test. **Hang up....**

- Avoid Social Engineering emails that appear to be official from the IRS, or any financial institution, requesting you to provide information electronically. **Delete it...** and pick up the phone to directly contact that institution and speak to a customer service representative using a number you know to be true, which can be found on the back of your credit card or a previous statement.

Laura’s recipe:

- Don’t carry your Social Security card or any document with your SSN #
- Do not give any business or doctor’s office your social security number
- Secure personal information in the home and workplace
- Protect personal computers using firewalls and antivirus software

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- Use wireless networks familiar to you that are secured with password
 - Create strong passwords, UPPERCASE, lowercase, numbers and special characters
 - Don't use same password and change frequently
 - Do not close a web browser before logging out of a website
 - Encrypt and password protect sensitive documents
 - Use separate passwords on all of your credit card and bank accounts

How do I know, if I need a pound of cure?

You are likely a victim of Identify Theft if you are asking yourself the following questions:

- I am attempting to file my tax returns electronically but the IRS rejects the return from e-filing because another return with the same SS # has already been filed
- I received an IRS notice indicating that wages were received from a business at which I never worked
- I received a letter from the IRS indicating that my return was filed when I know that I have not filed it yet.

Typically fraudsters will file a fraudulent tax return early in tax season long before your file your tax return. The best advice is to pay attention to notices you receive from the IRS and do not respond to email alerts without consulting your accountant. Remember that scams take place through internet resources and the IRS always uses the US mail or "snail mail" for its communications.

For more information, go to <https://www.irs.gov/Individuals/Identity-Protection>.