

Do You Think You Could Be a Victim of Identity Theft?

What is identity theft?

Identity theft occurs when someone uses your personal information such as your name, Social Security number, or other identifying information without your permission to commit fraud or other crimes.

Identity theft is a serious crime.

People whose identities have been stolen can spend months or years, as well as their hard-earned money, cleaning up the mess thieves have made of their good name and credit record. Victims may lose or get turned down for jobs, loans, education, housing, cars, or even get arrested for crimes they didn't commit!

How Could Identity Theft Affect Your Taxes?

An identity thief may steal the Social Security number of an innocent person and use that number and the innocent person's identity to get a job. When this happens, the IRS assumes that the income earned by the identity thief is actually income earned by the person whose Social Security number was stolen. The IRS will think that the innocent person did not report all of the income earned that year and will charge the person IRS penalties.

The IRS may also think that an identity theft victim owes federal income or self-employment tax on the money earned by the identity thief.

If the identity thief files a tax return and gets a refund before the innocent person files a return, the IRS may think that the innocent person's tax return is a second tax return or an amended tax return. The

IRS and state taxing authorities may believe that the innocent person has earned all of the income on *both* tax returns and add the income together. This may result in the innocent person owing more in federal and state taxes than is actually the case.

Be Alert to Possible Identity Theft

- If you receive a notice from the IRS that it has received more than one tax return from you for a single year.
- If you receive a notice from the IRS that it has received reports of your earnings (W-2s and/or 1099s) from employers who are unknown to you.
- If you receive notice from the IRS that you owe federal income tax for a year in which you did not work.

Who Is Vulnerable to Identity Theft?

Virtually anyone can be a victim of identity theft. However, certain people are particularly vulnerable:

- **Retirees and disabled people**
- **Children**
- **Lawful Permanent Resident Aliens**
- **People who respond to emails requesting personal information, such as Social Security or bank account numbers.**

How Do Identities Get Stolen?

There are many ways in which thieves steal personal information from others, including,

- Stealing wallets, purses, and backpacks,
- Misleading others into giving out this information in person, by phone or by email,
- Looking through trash to find personal information on discarded documents.
- “Hacking” into the internet—to banking, credit card and retail store databases.

How To Minimize Your Risk of Becoming a Victim of Identity Theft.

An important first step in preventing ID theft is to do all you can to safeguard your personal information.

- **Never** give personal information (including Social Security or bank account numbers) to anyone who calls you on the phone or sends you a letter or email. Legitimate businesses, including banks, will not call you to ask for this information.
- **Do not carry your** Social Security card, credit cards, debit cards, or blank checks with you unless you will need them that day.
- **Keep** important personal documents in a safe and secure place. Identity thieves can also be relatives, friends, roommates, or others invited into your home.
- **Do not** give yours or your children’s Social Security numbers to anyone unless they have a right to the information.
- **Do not** allow friends or relatives to use your name or Social Security number (or your children’s) or driver’s license for any reason, including opening utility accounts or getting cell phones.
- **Never** give the numbers on the back of your credit card to anyone claiming to represent your credit card company.

What Should I Do If I Believe My Identity Has Been Stolen?

- File a report with the local police

- File a complaint with the Federal Trade Commission at www.identitytheft.gov or the FTC Identity Theft Hotline at 1-877-438-4338 or TTY 1-866-653-4261
- Contact one of the three major credit bureaus to place a ‘fraud alert’ on your credit records:
 - Equifax, 1-800-525-6285
 - Experian, 1-888-397-3742
 - TransUnion, 1-800-680-7289
- Close any accounts that have been tampered with or opened without your permission.

If your SSN has been stolen and you know or suspect you are a victim of tax-related identity theft, take these additional steps:

- Respond immediately to any IRS notice; call the number provided.
- Complete IRS Form 14039, Identity Theft Affidavit. Use a fillable form at IRS.gov, print, then mail or fax according to instructions.
- Continue to pay your taxes and file your tax return, even if you must do so by paper.

For more information, please contact

The Community Tax Law Project

Phone: (804) 358-5855 or (800) 295-0110

Email: info@ctlp.org Website: www.ctlp.org

This information is not legal advice. We are providing this information as a public service. We have tried to make it accurate as of the date below, but keep in mind that tax laws change frequently.

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