



# TAX FRAUD

## IDENTITY THEFT'S "PARTNER IN CRIME"

The Federal Trade Commission reported they received more than 650,572 identity theft complaints in 2019. Tax fraud is by far the biggest contributor to those numbers. Tax refund fraud is the largest and fastest growing segment in the identity theft crimes.

Tax fraud occurs when criminals use a stolen Social Security Number to file a refund with the IRS in the victim's name. Identity thieves who filed fraudulent tax claims using stolen information got away with over \$6 billion. Victims usually only learn of the crime after having the legitimate return rejected because a fraudster filed a fictitious claim first. There are several warning signs to watch out for and steps that can be taken to reduce the risk of being a victim of tax fraud.

### Recognize the warning signs.

One of the biggest indicators that you might be a target for tax fraud is when companies or individuals ask repeatedly or pressure you to provide personal information. The IRS does not ask for PINs, passwords or confidential access information, nor does it contact taxpayers via email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media platforms. Additional warning signs include:

- More than one tax return filed using your Social Security Number.
- Owing additional tax, refund offset or having had collection actions taken against you for a year you did not file a tax return.
- IRS records indicating you have received wages or other income from an employer for whom you did not work.

### Reduce the risk of tax fraud or tax-related identity theft.

Protecting your personal information is paramount to eliminating tax fraud and identity theft. Several important actions that can be taken to drastically reduce these risks include;

- File your taxes right away to help reduce the risk of being targeted.
- Install security software with firewall and anti-virus/spam protections on your personal computers and change account passwords often.
- Learn to recognize phishing scams—threatening calls, texts or emails from people posing as legitimate organizations—so you can avoid them.
- Familiarize yourself with the "Dirty Dozen", a list compiled annually by the IRS alerting taxpayers to a variety of popular scams.
- Do not click on links or download any attachments from unknown sources or suspicious emails.
- Do not give personal information over the phone, through the mail or on the internet unless you have initiated the contact or you are sure you know with whom you are dealing.
- Do not carry your Social Security card in your wallet or purse.
- Make sure your tax records and personal data are kept in a secure place.
- Do not give any person or business your SSN or financial information just because they ask — only when required.
- Check your credit report for abnormalities every three months.

If you or someone you know has been a victim of tax fraud or identity theft, call today to arrange a consultation.



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Fortaris Capital Advisors is a fully licensed and insured advisory and private investigation firm.

To learn more about our services, visit us online. To arrange a consultation, contact our team of professionals. You will receive a response within 24 hours.

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