



Department of
Taxation

October, 2014

Stopping ID Theft from Paying Off

By Ohio Tax Commissioner Joe Testa

Of all the threats, and daily hazards that worried our ancestors over many generations, one that never crossed their minds is identity theft. In the digital age, however, when so much of our everyday life is managed by network computers, it's a threat that can affect nearly all of us.

Not only are individual credit cards and bank accounts at risk, but, increasingly, so are tax dollars that fund essential public services such as highways, parks and law enforcement.

The Internal Revenue Service (IRS) and state tax collection agencies across the country have seen a surge in attempted income tax fraud just this year from criminal groups that have stolen individuals' identities and are using the information to file bogus tax refund requests.

The federal government alone has stopped more than \$50 billion in fraudulent refunds from 2011 through November 2013 – resulting in nearly 1,500 identity-theft related criminal investigations in just one year.

Ohio has not been immune. So far this year, the Ohio Department of Taxation's income tax fraud unit has stopped more than \$250 million in fraudulent personal income tax refunds from falling into the wrong hands.

A single fraudulent filer may submit dozens, or even hundreds of falsified returns, using real names and stolen Social Security numbers. By seeking refunds of various amounts, they hope that at least a few of their bogus returns will be processed and the money will be deposited into their account electronically.

The Ohio Department of Taxation has both digital and offline systems in place to detect and prevent fraud, and we are constantly adjusting our defenses to adapt to the changing methods of fraud in order to help intercept illegal returns. We are also working in partnership with the Ohio Department of Public Safety to explore all possible options to aggressively fight these I.D. thieves and their attempted tax fraud.

When we receive suspicious requests for tax refunds, we are notifying taxpayers who are potentially affected. If we contact you it is very important that you get back to us quickly. If your identity is fraudulently used in a refund request we also suggest that you contact the credit bureaus, the Social Security Administration, the IRS, and your local police department. You are, of course, always welcome to contact the Ohio Department of Taxation at 1-800-282-1780 if you have questions.

If your tax records are not currently affected by identity theft, but you believe you may be at risk due to a lost/stolen purse or wallet, questionable credit card activity or credit report, etc., contact the IRS Identity Protection Specialized Unit at 1-800-908-4490.

You can minimize the chance of becoming an identity-theft victim by following these steps:

- Don't carry your Social Security card or any document(s) with your SSN on it.
- Don't give a business your Social Security number just because they ask. Give it only when required.
- Protect your financial information. This can include locking up wallets or purses at home, carrying only the credit cards you need, and shredding any sensitive mail, receipts or medical records before disposing of them.
- Check your credit report every 12 months.
- Secure personal financial information in your home.
- Protect your personal computers by using firewalls, anti-spam/virus software, update security patches and change passwords for Internet accounts.
- Don't 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 who you are dealing with.

Faced with a threat that our grandparents would never have dreamed of, we must do all we can in today's world to protect our personal and financial security. For those of us at the Ohio Department of Taxation, that means staying vigilant to do all that we can to stop illegal activity that results from identity theft.

###