

Tax Notes

Securing Your Electronic Personal and Financial Data

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As part of the Security Awareness Tax Tips Program, the IRS, state taxing authorities and the tax industry have recently published some simple tips to better protect your personal and financial data online and at home. They also describe the signs which may evidence that you possibly already are a victim of tax-related identity theft.

Although some of the tips provided here may seem “basic,” current events have shown that not all of us have heeded the advice. Later in this eNewsletter, we will provide you with links to secure websites for some more information on safeguarding your personal information.

Easy Tasks

These steps take little time on your part to do, yet can be effective in protecting your data:

- **Strong password:** something you can remember (because you do not want to write it down), yet containing special characters, numbers and lower and upper case letters.
- **Secure personal information:** treat your personal information like cash; don't leave it out in the open – like on your desk or in a desktop electronic file.
- **Encrypted website:** look for “https” in the website name when providing any of your personal information.
- **Phishing:** avoid emails, texts or telephone calls that claim to be from the IRS, tax companies, and other well-known businesses; instead, go directly to their websites. Do NOT click into any provided links.
- **Attachments:** don't open an attachment unless you know who sent it and what it is.
- **Downloading:** download and install software only from websites you know and trust.
- **Social Security Number (SSN):** try to memorize it and don't carry around your SSN card or documents with your SSN on them.

Involve Trusted Computer Specialists As Needed

If you are not computer savvy, an IT professional — one trusted by you or possibly a member of your family who has computer know-how — can help you:

- **Install computer security software:** and make sure that it updates automatically. This includes essential tools, such as: a firewall, virus/malware protection and file encryption (for sensitive data).
- **Check out companies:** find out who you are dealing with online before transferring any information.

- **Back-up your files:** important files should be backed up in the event of a fire or water event, theft or other catastrophic incidents. There are various ways to do this, and an IT professional can help you.
- **Pop-up blocker:** If you do not know how to install, ask someone you trust.

Personal Information Theft

Sometimes we need to be reminded:

- **Don't overshare:** personal information, like past addresses, new car, new home, your children's names, etc. on social media or in public settings because that can help others steal your identity by posing as you.
- **Shredding:** as we shift to an electronic world, we cannot forget that there still are "dumpster dives" being conducted by criminals. Shred any sensitive data before you discard. If you are cleaning up your files, there are some companies that can guarantee the safe trashing of large quantities of paperwork.

Other Protective Steps

The IRS and others also suggest the following:

- **Credit report:** check it at least annually.
- **Bank and credit card statements:** check often.
- **Social Security records:** review them at least annually.
- **IRS impersonators:** the IRS will not send you an unsolicited email suggesting you have a refund or that you need to update your account. The IRS will not request any sensitive information online. These are all persistent scams.

Signs of Identity Theft and How to Respond

No matter how careful you are, cyber crooks may be able to steal your personal information. Here are some signs that you may be a victim of tax-related identity theft and some suggestions as to what to do.

- **Rejection of your attempt to file your tax return electronically:** with a message that a return with a duplicate SSN has already been filed.
 - Check to make sure you did not transpose any numbers.
 - Make sure none of your dependents filed a tax return and claimed themselves.

If neither is the case, you must file [Form 14039](#), attach it to the top of your paper tax return and snail mail to the IRS.

- **Receipt of a letter from the IRS:** asking you verify whether you sent a tax return bearing your name and SSN. The IRS holds suspicious tax returns for verification. If you did NOT file the tax return, follow the instructions in the IRS letter immediately.
- **Receipt of income information from an employer unknown to you:** probably signals that someone is using your SSN for employment purposes.
- **Receipt of a tax refund that you did not request:** and which the crook probably intended to go to another address. Return it to the IRS marked "void" in the endorsement section of the check and include a note to the IRS. If the return is a direct deposit, contact your bank and ask them to return it to the IRS. More information is at [Returning an Erroneous Refund](#).
- **Receipt of a tax transcript that you did not request:** used by identity thieves to test the validity of personal data and to get more from you.

- **Receipt of a reloadable, prepaid debit card that you did not request:** sometimes used by identity thieves to use your name and address to create an account that they use for various schemes.

More information about tax-related identity theft can be found at [Identity Protection: Prevention, Detection and Victim Assistance](#) as well as the [Taxpayer Guide to Identity Theft](#) .

Other Helpful IRS Links/Email Addresses

- For all the IRS security tips issued to date: [IRS Security Awareness Tax Tips](#)
- Forward IRS-related scam emails to: phishing@irs.gov.
- Report IRS-impersonation telephone calls at: www.tigta.gov.
- Sign-up for "My Social Security" at: www.ssa.gov.
- If you are an identity-theft victim whose tax account is affected, review: <http://www.irs.gov/identitytheft>.
- Security awareness for taxpayers can be found in this publication: [Publication 4524](#).
- 2017 filing season Security Awareness Tax Tip series: [Taxes. Security. Together.](#)

Best Defense Is a Good Offense

While there are no guarantees that following the practices suggested will protect your personal and financial data, you have a better shot than doing nothing. So, arm your electronic identity as best you can and hope that any cyber criminals will move on and find a softer target.

Contact Us

Please contact your PKF O'Connor Davies' tax professional or Leo Parmegiani, CPA, Partner at lparmegiani@pkfod.com. We also have cyber security professionals on our staff who are available for specific situations and to whom we can introduce you.

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