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C O U N S E L L O R S A T L A W

Who stole my tax refund?

June 1, 2011 by Deirdre Wheatley-Liss

Identity theft is now hitting a new playing field - claiming and taking your tax refund. Larry Margasak at the Associated Press reports today that:

The IRS is grappling with a nearly **five-fold increase in taxpayer identity theft between 2008 and 2010**, a Government Accountability Office [GAO] official plans to tell a House hearing Thursday. There were 248,357 incidents in 2010, compared to 51,702 in 2008.

Yikes - this is clearly not a minor problem. However, the GAO finds that **most identity thieves get away with taking your refund**. The IRS Criminal Investigations Division only prosecutes around 4700 cases total a year for any criminal tax activity. Note however that their success rate is in the high 90%, so if a revenue officer with a gun ever shows up to ask you questions, you are likely to be the guest of the state for some time.



Think you might have been a victim of tax identity theft? The article offers some advice:

Tax form 14039, the IRS Identity Theft Affidavit, allows the agency to mark an account to identify future questionable activity. A task force of the IRS and other agencies established a website, STOPFRAUD.gov, which tells taxpayers what to do if they suspect identity fraud.

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