

Tax Fraud & Phishing Scams

In order to file a U.S. tax return, identity thieves only need a name, Social Security number and date of birth.

HOW DOES IT HAPPEN?

Criminals typically file fake returns early in the tax season to avoid detection and beat taxpayers to refunds. On average, more than 9 out of 10 refunds are issued in less than 21 days.¹ They don't even need a bank account or home address to obtain refunds from a fake tax return.

TAX / W2 SCAMMING

Scammers have a new trick up their sleeves: Spoofing emails from a target organization's CEO, asking human resources and accounting departments for employee W2 information.

This type of scam can open employees up to identity theft because the W2's have their full name, address, wages and Social Security number. Almost all of the data one would need to fraudulently file someone's taxes and request a large refund in their name.



The IRS identified approximately \$4.1 billion in suspected identity theft tax refund fraud in 2016.²



Tax refund fraud is one of the biggest challenges facing the IRS.²



Fighting identity theft tax refund fraud is an ongoing challenge as identity thieves are constantly changing their tactics to avoid controls.²



#1

Tax or wage related fraud was the most commonly reported form of identity theft to the FTC in 2015.³

400%

There was a roughly 400% increase in phishing and malware incidents during the first 6 weeks of the 2016 tax season.⁴

55%

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¹ irs.gov, What to Expect for Refunds in 2016, (accessed August 31, 2016), [https://www.irs.gov/refunds/what-to-expect-for-refunds-this-year]

² Treasury Inspector General for Tax Administration, "Filing Season 2016: Implementation of New Data Elements", September 2016.

³ Federal Trade Commission, Consumer Sentinel Network Data Book for January-December 2015.

⁴ IRS, "Consumers Warned of New Surge in IRS E-mail Schemes during 2016 Tax Season", accessed November 11, 2016.

⁵ Symantec, "Internet Security Threat Report", April 2016.

