



Wood LLP

Tax Alert



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THE TAX LAWYER

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Is Your IRS Data At Risk?

Identity theft is on the [rise](#). Many of your most intimate financial secrets are housed with the IRS. These days you're most likely dealing with the IRS primarily via electronic means.

These points together can spell trouble. If your purse or wallet is stolen or your computer is compromised, is all your tax data at risk? Can the thief get your tax refund?

Possibly. The IRS has an identity protection personal identification number (IP PIN) program. This pilot program provides each victim of identity theft with a special PIN as further protection for his or her personal information. The IRS issued 56,000 IP PINs during the 2011 filing season.

Contact the IRS Immediately. Contact the IRS if you believe you are a victim of identity theft. If you believe your IRS records may be at risk due to a lost/stolen purse or wallet, questionable credit card activity, credit report, or other activity, first provide the IRS with proof of your identity.

Submit a copy—**not the originals**—of your valid Federal or State identification (social security card, driver's license, or passport), along with a copy of a police report and/or a completed IRS [Form 14039](#), Identity Theft Affidavit. Send these documents either:

By Mail:

Internal Revenue Service
P.O. Box 9039
Andover, MA 01810-0939

or By Fax:

978-247-9965

Also contact the IRS Identity Protection Specialized Unit (800-908-4490) for resource information and guidance.

Respond to IRS Notices. If you receive a notice or letter by mail from the IRS that leads you to believe someone may have used your Social Security number fraudulently, respond immediately to the name, address, and/or number printed on the IRS notice. The IRS won't email you, so ***don't respond*** to emails that purport to come from the IRS.

Be especially alert to possible identity theft if the notice or letter from the IRS states that you filed more than one tax return for the year or indicates that you received wages from an employer where you didn't work. A thief might use your stolen Social Security number to file a tax return in order to receive your refund.

For more, see:

[Avoid IRS Hit List Of Tax Scams](#)

[APNewsBreak: Taxpayer identity theft is soaring](#)

[Publication 4535, Identity Theft Protection and Victim Assistance](#)

[Publication 4524, Security Awareness-Identity Theft Flyer](#)

[Publication 4523, Beware of Phishing Schemes](#)

[Top 10 Things Every Taxpayer Should Know about Identity Theft](#)

[How to report and identify phishing, e-mail scams and bogus IRS Web sites](#)

[Internal Revenue Manual 10.5.3 \(Identity Protection Program\) –
Procedural guidance on issues related to identity theft](#)

[Repository of IRS messages related to suspicious e-mails and identity theft](#)

*Robert W. Wood practices law with [Wood & Porter](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009, [Tax Institute](#)), he can be reached at wood@woodporter.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*