

From: Agency Info, <AgencyInfo@gov.sc.gov>
To: Veldran, KatherineKatherineVeldran@gov.sc.gov
Smith, AustinAustinSmith@gov.sc.gov
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Subject: SCDOR Teams with IRS, State Tax Agencies, and Industry Leaders to Fight Tax Refund Fraud

NEWS RELEASE

South Carolina Department of Revenue

FOR IMMEDIATE RELEASE

November 19, 2015

SCDOR Teams with IRS, State Tax Agencies, and Industry Leaders to Fight Tax Refund Fraud *SCDOR Urges Taxpayers to Protect Their Personal Information*

South Carolina Department of Revenue Director Rick Reames joined IRS Commissioner John Koskinen, tax preparation and software developer industry leaders, and other state tax agency executives in Washington, D. C. today to announce important steps taxpayers can take to protect their personal and tax data online.

Today's announcement is part of the SCDOR's ongoing partnership with the IRS and private-sector tax industry to create new safeguards for the 2016 tax filing season and combat the growing national problem of tax refund fraud.

"We must work together to stop thieves from stealing taxpayer data and refunds," said Reames. "We are implementing new protections at both the state and national levels and also want you to be aware of the security steps you can take – online and at home – to better protect your data from cyber-criminals."

"Identity thieves are evolving, and so must we," said IRS Commissioner John Koskinen. "The IRS, the states, and the tax industry are putting in place even tougher safeguards. But, we need the public's help. We need people to join with us and take an active role in protecting their personal and financial data from thieves."

Here are a few steps you can take to better protect yourself:

- Use security software with firewall and anti-virus protections. Use automatic updates. Encrypt your tax returns and other sensitive data. Use strong passwords.
- Beware of phishing emails. Are you expecting a message from your bank or tax software company to update your account? A link may take you to a fake website that is designed to steal your logon information. The attachment you open may include a program that allows a thief to get into your sensitive files.
- Beware of phone scams. If you get a call from an aggressive or belligerent person who says you will be sued or jailed if you don't make an immediate payment, know this: that person is a fraud. Clever criminals pose as trusted organizations. The SCDOR will have sent you many letters before you ever

- receive a phone call, and even then the call will only discuss your payment options. And remember – if you need to make sure a call is legitimate, you can always just hang up and call the SCDOR.
- Protect your personal information. Treat your Social Security Number, your driver’s license number and other personal data as you would cash – don’t leave it lying around. Don’t overshare on social media.
- Shred your old tax returns and documents with your name, address, bank account numbers and credit card information. Proper shredding cuts on a diagonal and creates tiny pieces; not long, easy-to-reassemble strips.
- Check your credit reports and Social Security Administration accounts regularly. Not all stolen identities are used for refund fraud. Thieves can take out loans and home equity lines using your credit or your children’s credit. Undocumented workers use stolen Social Security Numbers to apply for work, and the employers will then report those wages using the stolen Social Security Numbers.
- Know your tax preparer. If you like to file using installed software, buy your software from a trusted retailer, or by going directly (not clicking a link) to your preferred software company’s website. If you use an accountant, make sure it’s someone you know will be available after April 15. Don’t let any preparer take your refund and then pay you directly.
- And finally, when you see new questions, lockout features, and password requirements for logging in to tax preparation products, feel good about it. Know that these new features are in place for your protection, and that the requirements are in place for every single tax preparation company.

Tax preparation businesses also can help by sharing information with clients. Tips for customers are available in a new IRS publication, Publication 4524, Security Awareness for Taxpayers. Additional security information and tips are available from the SCDOR at dor.sc.gov/cyber-security and the IRS at irs.gov/taxesecuritytogether.