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Tax day is months away, but take steps now so you can file your return early—before identity thieves beat you to the punch.

Many victims of tax-related identity theft uncover the fraud after they have filed their returns, leading to delayed refunds and additional problems with the IRS and Social Security Administration. One way to stay ahead of the bad guys is to file your taxes early.

Here are some additional FAQs about tax-related identity theft from our experts:

Q: Why should I care about tax-related identity theft? I'm not a victim.

A: Tax-related identity theft is a growing problem that affects everyone—taxpayers, the U.S. government and, of course, victims themselves. The number of known incidents has increased more than twelvefold since 2008, according to [a recent study](#) from the U.S. Government Accountability Office. More than \$5.2 billion of taxpayer money went to fraudsters who filed fake returns in 2011, the [Wall](#)

[Street Journal](#)

reported, and a watchdog agency claims that number is expected to reach \$21 billion in the next five years. The costs are huge. And though you may not be personally affected yet, it could happen to you or someone you know.

Q: How does it work?

A: Tax-related identity theft usually takes one of three forms:

- The identity thief uses a name and stolen Social Security number with bogus W-2 forms to collect a refund in the victim's name.
 - The bad guy uses stolen information to get a job, which creates problems for the victim when the government wants taxes on income the victim never earned.
 - The fraudster creates a fake IRS or accounting website to con unsuspecting taxpayers into filing their returns—chock full of personal information—online.

Q: How can I tell if I'm a victim?

A: Knowing you're at risk is key. Telltale signs that you may be a victim of tax-related identity theft include:

- Notice from the IRS that more than one tax return was filed in your name.
- Notice from the IRS that you've received wages from an unknown employer.
- Email from the IRS requesting your personal information. Why? The IRS doesn't initiate contact with taxpayers by email so such a communication is likely to be fake.

Q: How can I protect myself?

A: The best way to protect yourself is to file your taxes early. Beyond that, it's very difficult to protect yourself from this type of identity theft because there are no safeguards in place where they need to be, within the IRS.

Reduce your risk immediately by following these five basic best practices to safeguarding your personal information from identity thieves:

1. Shred it. Identity thieves love recycling your trash, but you can break their hearts by buying a quality crosscut shredder. Shred everything with your name and address, such as statements and invoices, receipts, return address stickers, envelopes, catalogs and—especially—pre-approved credit offers, credit card checks and insurance-related materials.

2. Guard it. Encrypt emails and computer files that contain personal or account information. Use firewalls, antivirus and anti-spyware programs. Protect your smartphone as you would a computer. Keep all your technology current with the latest security updates. Always employ “strong” passwords that contain numbers, symbols and characters. Don’t use obvious passwords, such as your date of birth, child’s or pet’s name or mother’s maiden name. Change passwords often, and don’t use the same one for online banking that you use for shopping or social networking sites.

3. Lock it up. Keep doors and drawers secure. Identity thieves can’t steal your information if they can’t get to it. Keep computers, paper files such as bank or credit card statements, passports, Social Security cards, earnings statements, birth certificates and any other documents with personal identifying information behind closed—and locked—doors or in locked drawers. Always be aware of who has access, such as household employees or work crews—and even family members.

4. Check your credit reports early and often. Review your credit reports from the three reporting agencies—TransUnion, Experian and Equifax—twice a year. Visit annualcreditreport.com, the government-mandated source for free credit reports. Investigate suspicious activity and stay on top of it until the matter is resolved.

5. Keep your Social Security number to yourself. It takes surprisingly little to set up fraudulent accounts and establish false credit in someone else’s name—sometimes only a Social Security number (SSN) and address will do. Never carry your SSN or card in your wallet or purse unless absolutely necessary, and never give out your number to anyone you don’t know and trust. Provide your SSN only when required, and, if any organization, company or medical provider attempts to use your SSN as an identifier, ask them not to (many laws prevent this, in fact).

Q: I think I may be a victim of tax-related identity theft. What should I do?

A: Contact one of your providers—your bank, credit union, insurance company, or membership organization—to see if you receive identity management services. Resolving

tax-related identity theft is a complicated process. It makes a difference to have a knowledgeable, expert source on your side.

Victims also can follow these steps:

- File a police report.
- Notify the three major credit bureaus: [Equifax](#) , [Experian](#) and [TransUnion](#) .
- Contact the IRS and complete the necessary paperwork to notify them of your issue.
- File an affidavit of identity fraud with the U.S. Department of Commerce.
- File a complaint with the [Federal Trade Commission](#) .

Q: How long will it take for me to get my refund?

A: A few years ago, IRS identity theft investigations used to take at least six months and, despite the headache, most victims eventually would end up with their rightful refund checks. Now IRS investigations are taking more than a year and require victims to go through a lot of red tape.

Q: Where can I get more information about the IRS and tax-related identity theft?

A: The IRS has a lot of online resources, including these [identity protection tips](#) , a taxpayer [guide to identity theft](#) , and information about [how to report it](#) to its Identity Protection Specialized Unit.