

01/09/2015

By Adam Levin, chairman and co-founder of Credit.com and Identity Theft 911

During the holiday season a missed or stolen package can be aggravating, which is doubtless why you eagerly watched for deliveries all December, calling the nanosecond you suspected a problem. Unfortunately, many employers don't send tracking numbers when the packet of vital documents marked "Important Tax Information Enclosed" hits the mail destined for your home address.

We receive some of the most sensitive, potentially damaging mail deliveries of the year during these post-holiday months, and a wayward envelope during tax season can wreak immense financial havoc. Your employer W-2s and 1099s, annual statements from banks, brokerage firms and credit card companies—all needed for tax preparation—are headed your way. And tax documents aren't the only missives you will be receiving. There are explanations of health benefits, membership renewals, new healthcare credentials and other service-related roundups that include essential facts about your life. Everything you spent and everything you donated; everything you do for your health, fun or profit; each investment, every gain and loss—all of that and more will be hitting your terrestrial and digital mailboxes in the coming weeks, and all of it is manna to identity thieves.

The crimes that can be committed are almost too numerous to list here. There's the healthcare grab, where someone pretends to be you to acquire diagnoses, cures or prescriptions in your name, which can permanently change your health record and future medical decisions in potentially life-threatening ways. Identity thieves may use your annual statements—and other information that travels by mail this time of year—to either worm into your credit files or create new ones. A recent story out of Miami involved more than 1,000 student debit card accounts that were allegedly used for collecting tax refunds from fraudulently filed tax returns. One student alone allegedly grabbed more than \$50,000. The windfalls for crimes of this nature are huge, and often go undetected for a long time.

Identity thieves know you can't possibly keep track of the entire paper trail that's in transit to your door (virtual or otherwise), and they are always crawling through the cracks and crevasses of your life to grab as much of your sensitive personal information as they can.

So what should you be looking for? It may be a prompt from TurboTax or an email from American Express, or you may have to be alert and sensitive as to what hasn't arrived. While my best advice is to stay on top of your mail—you are in the best position to know what's supposed to come this time of year, so be on the lookout—there are strategies that can make you less of a target.

1. File Your Taxes Early

The longer you wait to file your tax return, the more time someone who isn't you can file it and steal your refund. When that happens, you aren't going to see your money for a very long time—oftentimes the wait can be as long as 300 days.

Unfortunately, if you are the victim of tax-related identity theft, there's an even bigger problem. For someone to be in a position to file a return and apply for a refund, they have to know your Social Security Number. Heaven knows what else it's being used for, and because of that you're going to need to take evasive measures—like credit notifications and freezes—to make sure you aren't scammed further and forced to look over your shoulder for the rest of your life.

If you know that your SSN has been compromised, you should absolutely file your taxes as early as possible, and also let the IRS know that you've been compromised. It's not a quick process to get an Identity Protection PIN code, but once you do, it is impossible for a fraudster to file a tax return in your name (unless of course they figure out how to get that number. Unfortunately, stranger things have happened).

2. Go to the HR Department at Work

Most companies allow you to pick up your tax information directly. This shuts down one avenue of exposure, provided you don't open another by failing to properly secure your data once it's in your possession.

3. Sign Up for Two-Step Verification

With paperless statements on the rise, your email inbox is also in danger. Most email providers and other online services offer a way to keep other people out of your inbox, though. Two-factor authentication should be enabled for your most important accounts. With this second layer of security, if hackers have possession of your login and password it will be difficult for them to gain access without a code to authorize the device they are using.

4. Check Your Account Activity

On the accounts that matter most—banks, credit cards, healthcare—frequently check activity and also check your notification and forwarding settings. Know that email can be delivered to you and a second account without your knowledge simply by setting a forward in your account settings. Make sure you know when, where and with what device your most important accounts have been accessed.

While you're in there, activate account activity notifications so that every transaction sends a text or email confirming that fact.

5. Monitor Your Credit

Check your credit reports regularly for accounts or debts that don't belong to you, and pull your credit scores routinely to look for big, unexpected changes that tell you something has gone very, very wrong. You can get your free credit reports once a year from each of the major credit reporting agencies.

6. Check Your Mail!

It sounds simple, but you have to either personally collect (or arrange with someone you trust to collect) your mail every day, and make sure it's not accessible to third parties. If you don't live in an apartment building with locking mailboxes, or have a mail slot in your front door, consider buying a stand-alone mailbox that locks.

It comes in dribs and drabs; it arrives by the bagful by snail mail and via email. You may even have SMS text notifications set up to let you know when some kinds of crucial information become available. Now that we've entered the richest part of harvest season for identity thieves, it's your job to make sure you're getting everything that's coming to you and to stay safe.