



Identity Protection Program Fact Sheet

Background:

Last year, the department implemented an identity protection program—and stopped \$88 million in attempted identity theft tax returns. 11 percent of all requested refunds last year were cases of identity theft. To protect Hoosier refunds and state revenues, the Indiana Department of Revenue will use its increased identity protection efforts again to protect Hoosiers in 2015.

From the taxpayer perspective, this year’s identity protection program will look similar to last year. All Indiana income tax returns will have their basic identity data (not the entire return) submitted to the LexisNexis identity verification database.

While 95 percent of taxpayers’ identity information is expected to be verified as a result of this process, some taxpayers again will be selected to take the Identity Confirmation Quiz to further validate their identities.

Through the department’s identity protection program, the department is making sure Indiana tax refunds are only issued to taxpayers whose identities have been confirmed.

Identity Confirmation Process:

- A taxpayer clicks “Submit” or mails his return.
- The department receives the tax return and sends the identity information of the primary and secondary taxpayers to LexisNexis for confirmation.
- LexisNexis confirms about 95 percent of identities, identifies additional taxpayer verification needs for some returns, and immediately declares other returns clear fraud.
- Returns that the identities were immediately confirmed are continued through regular department processing; returns of taxpayers needing additional identity verification are sent a letter from the department asking them to take the Identity Confirmation Quiz; clear fraudulent returns are not processed and are forwarded to our special investigation unit.
- Taxpayers asked to complete the Identity Confirmation Quiz will have 30 days to do so. If taken immediately, all refunds should still be received within 14 days if the taxpayer electronically filed and no other problems are discovered.

Identity Confirmation Quiz:

As an additional level of protection, some taxpayers will be selected to confirm their identities. Those selected will receive a letter from the Indiana Department of Revenue. It will first ask taxpayers to confirm that the letter's name and address information matches an Indiana tax return they recently submitted. If taxpayers receive this letter and the identity information is not correct or they did not submit an Indiana tax return, they should not complete the quiz, but rather follow the letter's instructions to contact the department.

The quiz contains four short questions about which only the person asked to complete the quiz would be able to answer. It is taken on a secure website hosted by the department, or over the phone. It should take no more than two minutes. The department expects 95 percent of taxpayers taking the Identity Confirmation Quiz will confirm their identities.

It is important that those required to take the quiz know they are not suspected of identity theft. This effort is designed to further protect taxpayers' identities and tax refunds.

2014 Statistics:

- \$88 million in stolen or manufactured identity theft tax refunds stopped (out of \$800 million in total requested refunds);
- 11 percent of all requested refund dollars were fraudulent;
- 74,000 fraudulent returns identified (out of 2.2 million total returns requesting refunds);
- 3.5 percent of all tax returns were fraudulent.

For up-to-date 2015 identity protection program statistics, contact Bob Dittmer, APR at (317) 234-3793 or rdittmer@dor.in.gov.

Identity Protection Tips:

1. **Safely store your tax return documents**

Once your tax return has been electronically filed, save the file to a CD, USB drive, or external drive and then delete the file from your computer. If you work with an accountant, ask him or her about the measures they take to protect your information after your return is filed.

2. **Watch out for scams**

Be cautious when someone calls or emails you saying that they're from the Indiana Department of Revenue or IRS and asks you for personal information. Neither agency will ever call or email you and ask for your personal information.

3. **Shred your documents**

If you no longer need a document with your personal information on it, *shred it*. Don't just throw it away.

5. **File your taxes electronically**

E-filing is significantly more secure than paper filing. Individual taxpayers can file their taxes online for free if they qualify at www.freefile.dor.in.gov.

6. **Protect your Social Security card and number**

Don't carry your Social Security card with you. Don't give out your SSN unless you have to, and always ask why it's needed, how it's going to be used and how it will be stored.

7. **Find the right tax preparer**

Ask for recommendations and research tax preparers before you turn your personal information over to them. This is especially important if you are new to an area. For tips on finding tax preparers, visit www.in.gov/dor/4618.htm.