LifeLock Empowers Taxpayers with Knowledge to Help Fight Fraud

2023-03-08

TEMPE, Ariz., and PRAGUE, March 8, 2023 /PRNewswire/ -- With tax season at its midpoint, LifeLock, a leading identity protection brand of Gen™ (NASDAQ: GEN), today released expert insight on dubious and surprising methods criminals are taking to defraud unsuspecting taxpayers, as well as tips on how to protect their identities and tax refunds from being stolen. With the more than 90 percent of U.S. taxpayers filing online, it's essential to know how to file taxes safely.

> Understanding how the IRS works is the first step to protecting yourself from scammers this tax season.

Every year, the IRS receives millions of fraudulent tax returns. In 2022 alone, the IRS identified more than $5.7 billion in tax fraud. In many cases, tax-related identity theft victims don't know they've been targeted until it is too late. Luckily, there are proactive steps consumers can take to help protect their identities and restorative steps should they fall victim to identity theft.

"Scammers have found unique ways to get people to compromise their personal credentials at every step of the filing, paying, and refund process," said David Putnam, Head of Identity Protection Products for LifeLock. "Filing early, keeping an eye on your credit and bank account, and getting an Identity Protection PIN (IP PIN) from the IRS can also help keep you a step ahead of potential pitfalls and save a lot of hassle."

LifeLock has identified several of the biggest threats taxpayers should be aware of this year:

Ghost Preparation Services

Unscrupulous tax preparers called ghosts often charge fees based on a big refund they've promised or purposely inflate refunds in error to maximize their fees, then disappear. Some even steal refunds outright by routing them into their own bank accounts.

Anyone paid to prepare taxes must provide a Preparer Identification Number (PTIN) and sign completed returns. Opposition to signing is an indication of a ghost tax preparer only interested in collecting a fee and splitting once they get the chance. Other warning signs are requesting to pay in cash, not providing a receipt, or asking that returns be deposited into their bank account.

IRS Impersonation Schemes

Tax scammers know consumers have become more educated about the ways the IRS contacts taxpayers, opening the door for new methods to pose as official tax agents. Refund recalculation scams work to convince people the IRS owes more than initially stated by sending a phishing email from "the IRS" that prompts recipients to click links that typically lead to fake IRS websites that record information inputted using spyware. Criminals also try to get taxpayers to upload personal documents like W-2s, drivers licenses,

and social security cards through emailed verification request scams. The only time the IRS requests ID verification is when red flags appear on tax returns. In this case, they would send Letter 507IC by mail.

Additional attempts to acquire personal information take the form of phone calls from fake IRS agents calling for a variety of reasons, including requesting credit card information to pay back taxes, notifying taxpayers of late penalty fees or early filing rebates, and even demanding bank account information to "fix" a missing refund.

Fraudulent Tax Returns

Stolen Identity Refund Fraud happens when someone uses your personally identifiable information (PII) to file a return in your name and collect the refund. If you discover someone has filed a tax return in your name, you can complete a paper return and include form 14039 (Identity Theft Affidavit) with it, then file reports with local law enforcement and the Federal Trade Commission. Request a copy of the fraudulent return to help understand what information was compromised and used by the thief. From there, monitor your credit reports and account statements and call the three major credit bureaus – Experian, TransUnion and Equifax – to ask for a freeze so no one can request new credit in your name - you can lift the freeze when you have a need to.

If you become a victim of identity theft while you're a LifeLock member, a dedicated LifeLock Identity Restoration Specialist will be with you every step of the way to help resolve the issue and handle the next steps on your behalf.

Tax Advocacy Service Fraud

Taxpayer Advocate Service (TAS) is an IRS-created organization designed to help with issues related to taxes. Though the IRS will never call anyone, the TAS does make calls to individuals to help find resolutions. IRS scammers use this difference to make calls posing as TAS representatives informing people of an increased tax refund they received. Similar to other IRS Impersonations Scams, they may ask for personal information like social security number, birthdate, and other personal details to verify your identity and claim your refund. Remember: the IRS will always initiate any communication by mail first.

Gift Card Scams

Tax thieves learned to take an unconventional approach with gift card scams where the thief calls people pretending to be an IRS agent notifying them of a tax penalty or an overuse balance. They then instruct victims to buy gift cards from different stores and give them the card numbers and PINs to pay the balance. The IRS will never ask for credit, debit, or bank account information over the phone.

For additional tax season safeguards, identity theft protection services from LifeLock adds professional support to help consumers navigate complicated IRS and credit bureau actions designed to restore taxpayers' lives and identities.

To learn more about identity theft and LifeLock plans, please visit LifeLock.Norton.com.

About LifeLock

LifeLock is a leader in identity theft protection in the U.S., and a brand of Gen™ (NASDAQ: GEN), a global company dedicated to powering Digital Freedom through its family of trusted consumer brands. Millions of customers trust LifeLock to help protect their identities. LifeLock detects and alerts people to possible identity threats, and its dedicated Identity Restoration Specialists help people restore their identity if they do

become a victim. All LifeLock members also have coverage through LifeLock's Million Dollar Protection™ Package which provides additional coverage for stolen funds and lawyer and expert support. Learn more at LifeLock.Norton.com and GenDigital.com.

[1] No one can prevent all cybercrime or prevent all identity theft.

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