

Extra precautions help prevent identity theft during tax season

(ARA) - For most Americans, tax season means frustrating hours spent with piles of paper, but for identity thieves, this time of year provides an open-door opportunity to steal your personal information.

Identity theft is a crime that has gained momentum in recent years, claiming more than 23,000 victims each day. While it's important to protect confidential information year-round, people are especially vulnerable to the crime during tax season.

From W-2 forms to old pay stubs and investment information, Americans send and receive a large quantity of confidential information that is a gold mine for identity thieves.

"Similar to the holiday shopping season, tax time provides a variety of opportunities for identity thieves," says Jay Foley, executive director, Identity Theft Resource Center. "It is essential that consumers are cautious when handling their tax-related information."

In recent years, more people have turned to electronic filing for added convenience. In fact, according to the IRS, the 2007 tax-filing season set a record for the number of electronic filers with more than 75 million tax forms filed online.

While e-filing may offer a simplified approach to an already dreaded filing process, it may also give consumers a false sense of security when it comes to protecting against the crime. Similar to mail filing, consumers must still collect necessary paperwork required to complete tax forms.

"The convenience of e-filing doesn't decrease consumer's vulnerability to identity theft during tax season," says Nancy Heaton, senior global marketing manager at Fellowes, Inc., the leading shredder manufacturer. "In reality, the same amount of paperwork is required for tax back-up. That's why it's essential for consumers to shred any papers containing confidential information that are used to file their taxes."

It's also critical to properly store and destroy sensitive back-up documents used during tax season. Once you have determined what you need to keep and what can be destroyed, make sure you properly dispose of this sensitive information. Shredding is one of the most effective ways to get rid of confidential information you no longer need.

When destroying records, it's best to use a shredder that features cross-cut capabilities, such as the Fellowes PS-77Cs, which ensures private information is reduced to small, unidentifiable pieces, making it nearly impossible for thieves to piece the information back together.

In addition to shredding, below are several tips people should consider this year to ensure tax season is more manageable.

Filing taxes the old fashioned way: Through the mail

- * Keep tax paperwork and other documents in a safe and accessible place, such as a fireproof box in your home.

- * Regularly check the mailbox for W-2 forms and other documents

containing sensitive information that arrive by mail. If you don't receive these documents by Feb. 15, contact the IRS for assistance at (800) 829-1040 as missing forms may be an indication that an identity thief went through your mail.

- * Send completed tax returns from a locked mailbox or the post office. If mailing from home, do not put the mailbox flag up. This only alerts identity thieves that there may be an outgoing check in the mail.

- * Make sure tax forms, backup documents and enclosed checks are not visible from the outside. Try wrapping your forms in an extra sheet of paper to disguise the contents of the envelope.

Filing taxes online

- * Choose a tax filing service you are familiar with. The IRS doesn't offer software or direct filing, but it provides a list of approved companies at www.irs.gov/efile.

- * Make sure personal computers are protected with updated firewall and secure software systems which contain antivirus and anti-spyware programs.

- * If you are storing important tax-related documents on your computer, change your passwords frequently between December and April.

- * Ensure that every Web site you are using during tax filing is encrypted to protect personal information when transmitted.

- * Once you have submitted your tax forms, shred any information you no longer need.

For additional identity theft prevention tips and information on how long to keep financial records, check with your tax professional.

- *Courtesy of ARAcontent*