

Secretary Padilla Warns Against Identity Theft Rings That Are Filing False Tax Returns On Behalf Of Unsuspecting Taxpayers

SANTA FE – State Taxation and Revenue Secretary Demesia Padilla today warned against criminal enterprises that are targeting taxpayers and filing false income tax returns by using stolen personal information.

Fraudulent tax returns totaling nearly \$209,000 were filed on behalf of 103 taxpayers, all of whom are out-of-state residents. The suspects managed to steal nearly \$139,000 from the State on 73 of those fraudulent returns. The Taxation and Revenue Department was able to intercept about \$70,000 in fraudulent returns before they were paid out. “We have implemented several security and audit measures to ensure that we track and closely monitor any suspected fraudulent tax return before being processed and paid,” said Padilla. “We’re also requesting taxpayers to contact us immediately if they suspect their personal information has been stolen or compromised.”

The suspects in this on-going scheme reportedly stole personal information – such as name, address and Social Security Number – and then filed false personal income tax returns using that information. All these returns were filed electronically.

“We’re working with banks and other financial institutions to see if we can recover any of the stolen money,” Padilla said. “The Taxation and Revenue Department discovered this scam within two weeks and conducted thorough audits to identify the victims of the identity theft.”

The Department, this week, also plans to send out letters to those affected taxpayers informing them of their identities being stolen or compromised.

All false returns in this scheme were filed since mid-February of this year. The Department discovered the scam on Feb. 28 and launched an investigation by auditing over 200 suspicious tax returns. Earlier this week, the Department identified 103 taxpayers that had their identities stolen or compromised.

The Department is working with state and federal law enforcement agencies and other states to share information and track these suspected schemes.

FBI Tips on How To Protect Yourself From Identity Theft:

Some “do’s” and “don’t’s”:

DO:

- Order a copy of your credit report each year from one of the national credit bureaus and review it closely for any questionable entries;
- Shred or cut up all credit card receipts and old bank statements and bills before throwing them away;
- Close all unused credit card or bank accounts;
- Remove your name from mailing lists for pre-approved credit lines and telemarketers;

- Keep your PIN number hidden when you use an ATM or public telephone;
- Contact your creditor or service provider if you notice odd charges or if expected bills don't arrive;
- Update your computer virus software, use a secure browser, and install a firewall program.

DON'T:

- Give out personal information via the phone, mail, or Internet unless YOU initiated contact;
- Carry information like your Social Security Number (SSN) or any PIN numbers or passwords in your purse or wallet;
- Put your SSN on your checks or other identifiers.

If your identity HAS been stolen, we urge you to take immediate action:

- Place a fraud alert on your credit file by notifying one of the national credit bureaus;
- Contact all creditors and financial institutions that an identity thief may have used to conduct transactions in your name and close all tampered accounts;
- Contact your local police department, as well as your local FBI field office, and file a report;
- File a complaint with the Federal Trade Commission (the FBI and other law enforcement agencies use these complaints in their investigations). Online identity thefts may also be reported to the Internet Crime Complaint Center (IC3).

A Final Message: BE AWARE and manage your personal information carefully!