IRS Data Breach Exposes 104,000 to Potential ID Theft

May 28, 2015 - This week, the IRS announced a data breach that released the personally identifiable information on 104,000 taxpayers. According to the agency, the hack – which is believed to have originated in Russia – attempted to access records on more than 200,000 people but it was only successful in approximately 50% of its attempts.

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(function() {
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];
s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();
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(function() {
  var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;
  po.src = 'https://apis.google.com/js/plusone.js';
  var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);
})();
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The hackers in this case were brazen. Rather than attempting a traditional hack, they used personally identifiable information already in their possession. This allowed them to gain access to complete tax files on their potential victims and to take their time.

The hack could very well cause a tax filing nightmare for anyone whose personal data was released. That's because the data provided would allow anyone filing a false tax return to claim an unjustified refund to tailor their return in such a way that it won't raise any red flags at the IRS. Data on more than 100,000 people could easily be worth tens of millions of dollars to the thieves.

The IRS has begun notifying victims and has said that they will provide credit monitoring to them. But the agency hasn't said that it will flag the files of victims to prevent any imposter tax returns from being filed in their names. byJim Malmberg

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