

IRS Allowed More Than A Million Americans To Become ID Theft Victims

September 1 2016 - If you needed another reason to hate the dreaded Internal Revenue Service, the agency has given you one. A report by the agency's Inspector General has detailed that more than 1 million Americans had their social security numbers stolen by illegal aliens and used for tax purposes over a five year period. The report revealed that the IRS knew about the thefts but didn't bother to inform victims; leaving them years of work to clean up ruined credit records. Ironically, the agency's failure to notify victims also means that those affected face serious potential tax problems going forward.

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s.src = 'http://widgets.digg.com/buttons.js';
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The stolen SSNs were used to obtain employment illegally. Most cases of employment identity theft are committed by illegal aliens because they need a valid social security number to obtain a job. Once they get the job, the employer pays taxes and social security using the SSN provided.

At tax time, those who commit employment ID theft don't use their appropriated SSN to file their taxes. Instead, they obtain a tax ID # from the IRS and file using that number. When the IRS receives their tax filing, they see immediately that the SSN used by the employer doesn't match the number used on their forms. NOTE: It is illegal for Americans to use a Tax ID number to file their personal taxes using anything other than their SSN.

The IG report states that from 2011 through 2015 it was able to identify 1.1 million cases of this type of identity theft. Over that period of time, the agency didn't notify a single person that they were being victimized.

Illegally using and SSN in this fashion can cause significant tax issues for victims. It isn't uncommon for the IRS to send victims letters stating that they under-reported the amount earned on their taxes and to demand additional payments. That's because income is being attributed to their SSN without their knowledge. It is then up to the victims to prove that they didn't earn that income.

Additionally, there is nothing to prevent someone who illegally uses your SSN for employment purposes from using it to establish credit. This can result in ruined credit, phone calls from bill collectors, etcâ€¦

The IRS claims that it has started a pilot program to notify tax payers of these issues in the future, but it has only enrolled 25,000 people in that program.

by Jim Malmberg

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