

Tax Return Fraud

Fraud is on the rise.

Oregon, other states, and the IRS are seeing significant increases in fraudulent tax returns, often using stolen identities and fictitious W-2s to try to claim refunds.

How big is the problem?

In returns filed during 2014, we saw 4,700 fraudulent returns attempting to claim a total of \$7.8 million in refunds. At least part of 159 of those claims was paid, totaling about \$144,000 in unrecovered fraud. The first eight months of 2015 brought 3,800 fraud attempts totaling \$6.8 million.

What is Revenue doing?

- **Providing easy reporting options.** Our website and dedicated identity theft reporting phone line allow taxpayers to quickly and easily flag their accounts for possible fraud.
- **Balancing competing priorities.** We want to verify the accuracy of returns while still issuing legitimate refunds as quickly as possible.
- **Increasing security of online services.** We use two-factor authentication and validate specific tax account details before taxpayers can access their new Revenue Online accounts.
- **Checking up on suspicious returns.** If we suspect a claim is fraudulent, you'll receive a letter asking you to either take an online quiz or provide documents to verify your identity.
- **Adding more tools.** The Legislature funded our plan to incorporate commercial data analytics and real-time withholding matching to help us catch more fraudulent refund claims.

How can taxpayers protect themselves?

All the time: File your return electronically and as early in the year as you can. If we get your real return first, we can better stop fraudsters from using your information.

If you think or know your identity was stolen: Notify us immediately by phone (503-947-2000) or use the reporting feature on our website. We can flag your account to watch for potentially fraudulent returns and help you get your real return processed correctly.