

# **How to protect yourself** from tax fraud and scams

Tax season has begun, and it typically comes with a big uptick in tax-related scams. With online filing now the norm — cybersecurity is more important now than ever.

Last year, there were close to 8 million reports of suspicious activity related to income tax filing and identity theft. U.S. consumers lost more than \$5.8 billion to fraud in 2021, according to the Federal Trade Commission.

There are several important cybersecurity steps filers should take to protect themselves in advance of using tax prep software or working with an accountant, who are also targets of scammers.

### Use secure passwords and multi-factor authentication

Despite all the warnings about using secure and different passwords for every website, few people actually do this.

Cybersecurity experts suggest using a password manager that stores account credentials, "so long as you secure that [application] as well with multi-factor authentication," said Lisa Paggemier, executive director at the National Cybersecurity Alliance.

Multi-factor authentication requires users to prove their identity in two ways, usually through a password as well as a one-time code sent to their phone or email, or a fingerprint.

"This is an important step to help secure your online account from identity thieves," said Kathy Pickering, chief tax officer at H&R Block. "Providing your mobile phone to do this is better than providing your email because it's more secure and may be faster."

### File taxes promptly, before someone impersonates you

It's understandable to procrastinate when faced with a dreaded task like filing taxes, but being prompt can help ward off potential fraud Paggemier said.

Tax filing fraud is similar to the many unemployment scams during the pandemic when scammers filed in other people's names to

> steal benefits. With tax returns, scammers file a false return with fraudulent data and collect the refund.



The IRS sends a new IP PIN to victims of tax-related theft every year. This year, the agency has opened up the process, allowing anyone with a Social Security number or individual taxpayer identification number who can verify their identity to enroll in the program by filling out an application online.

#### Be alert for scam emails, texts and calls.

Scam emails and texts occur year-round but tend to accelerate during tax season. Scammers may pose as IRS agents, tax preparation companies and other parties, the IRS has warned.

Cybersecurity experts said the advice is still the same to ward off fraudsters: Don't click on any links. If there's any doubt, go to a site you know to be legit, or call the official number listed on the back of a card or the official website.

Keatron Evans, principal cybersecurity advisor at Infosec, noted a recent increase in scam calls claiming to be from a tax provider, alerting victims that they've noticed a problem and should go to a website to download a plug-in.

Phone scammers also frequently impersonate IRS agents, scaring victims by demanding immediate payment using prepaid debit cards, gift cards or wire transfer and threatening to bring in local police. The IRS has issued warnings about this scam and recommends that victims report it to the Treasury Department's Inspector General using an online form or calling the agency, or reporting it to the IRS by email with "IRS Phone Scam" in the subject line.

#### Install tax prep software updates

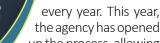
Computers running on old software are more vulnerable to attacks. To minimize this risk, install software updates for tax prep software and other plug-ins software updates such as the operating system or browser as soon as they are available.

Secure Wi-Fi passwords can also help ensure security of the home network, in addition to making sure antivirus software is installed and up to date. For anyone who needs to use a public network for their taxes or any other sensitive information, cybersecurity experts advise using a virtual private network, or VPN.

### Vet your accountant's cybersecurity practices

Increasingly, tax professionals are also targeted by scammers. Cybersecurity experts advise asking how the accountant is storing and backing up data, how they are securing it or encrypting the data, and how the office is secured. Accountants and accounting firms should be asking clients to upload to a secure platform or use an-encrypted file-transfer system. And with home offices more common, don't hesitate to ask tax preparers about how they're securing their home Wi-Fi network or if they use a VPN.

"You have to be your own champion when it comes to your privacy and your security," Donarski said.



Article adapted from 'How to protect yourself from tax fraud and scams, according to cybersecurity experts' 2/2/23, by Ellen Sheng, msn.com

# **What's New at WCCU!**



**Buying a vehicle this Presidents Day?** 

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Visit westerlyccu.com/auto to apply!

Offer as of 1/1/2023. Subject to change and credit approval. The 0.75% point interest rate reduction requires automatic loan payments deducted from an "active" WCCU Checking account ("active" Checking is 6 transactions or more per month and direct deposit) which must be scheduled at the time of loan closing. The 0.75% reduction is also valid for Home Improvement and Refi Home Loans.

## **WCCU Celebrates Promotions**

**Wendy Gencarelli** has been promoted to Vice President of Financial Services. Wendy has been with WCCU since 2004, most recently serving as Staff Development Manager.

**Stacey Melia** has been promoted to Financial Services Manager of the Richmond Branch. Stacey has been with WCCU since Jan 2022, most recently serving as Assistant Financial Services Manager of the Richmond Branch.

Congratulations on your new positions!





# **Scholarship Opportunities**

Westerly Community Credit Union College Scholarships (4) - \$1,000

The Westerly Community Credit Union Industrial/Trade Scholarship (1) - \$1,000

The CCUA Credit Union
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Apply by April 1st at westerlyccu.com/scholarships

## **Complimentary Virtual Seminars**

Below is a schedule of upcoming topics:

Tue., Feb. 7: Income for Life

Tue., Feb. 21: The Three Transitions to Retirement

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**#WCCU Cares:** WCCU is Proud to support the Jonnycake Center of Westerly at their 9th Annual Bowling Bash.



## **Dates to Remember**

**Mon., Feb. 20, 2023:** Closed in observance of Presidents Day



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