



FTC Reports Tax and Wage Related Identity Theft as the Most Prevalent Complaint in 2010

Stamford, CT – February 11, 2012 - PrivacyGuard, a leading identity theft and [credit management](#) product of the Affinion Security Center, announced today the results of its annual tax and identity theft survey. The survey found that while consumers remain concerned about identity theft, there are some common misconceptions about the risk of preparing and submitting their tax documents, and many are engaging in risky behaviors online that could lead to identity theft.

The [Federal Trade Commission's 2010 Consumer Complaint Report](#), listed tax or wage related fraud as the cause of 15% of identity theft claims, higher than credit card fraud, employment fraud, bank fraud, or loan fraud.

Worried About Data Breaches; Careless When it Comes to Online Passwords

PrivacyGuard's survey of 500 people revealed that respondents were aware of the possible risks of sharing personal information during a transaction. 88% reported that they worry that the organization they are sharing their personal information with could suffer a data breach. Retailers were chosen overwhelmingly (46%) as the least trustworthy institution, followed by credit card companies and government agencies. When a data breach occurs, respondents are more likely (38%) to blame the institution that was breached than the thieves that stole the data (34%).

Although respondents expressed concern about data breaches, the survey reflected some carelessness among consumers when protecting their account information. Only 31% had a unique password for each site they use, which could increase the risk of identity theft.

Leary of Tax Preparers; Taking Risks with Online Tax Submission

Respondents expressed mistrust of their tax preparers, with 53% feeling concerned or very concerned about identity theft when choosing a tax preparer. This number is up from 41% in 2011.

Postal mail continued to be the most trustworthy of delivery options with most respondents (60%) listing it as the most secure way to file their taxes. However, the majority of respondents (53%) assumes the risk and submits their taxes online.

Low Awareness of IRS Contact Methods

Respondents have grown increasingly ignorant about the methods the IRS uses to initiate contact with tax payers, with many selecting the wrong option: 40% believe the IRS can contact them via email, mail or phone and 4% believe that the IRS will contact them through email. [The IRS does not initiate contact with taxpayers through email](#). Last year the survey results showed a similar trend, with 50% selecting the email, mail or phone option.

“Americans have become increasingly concerned about the risk of identity theft over the past few years,” said Christine El Eris, Director of Product for PrivacyGuard. “However, taxpayers need to be aware of the unique risks they face during tax season.”

PrivacyGuard would like to help educate consumers with the following tips on how to prevent identity theft during tax season:

When Preparing Your Return

1. **Be Aware of Suspicious Emails and Phone Calls Regarding Your Tax Refund, Tax Filing or Any Stimulus Checks** – Check the IRS website for tips on how to spot scammers and thieves posing as the IRS and a list of known phishes.
2. **Be Diligent When Choosing Your Tax Preparers** – Ensure that you are working with a credible firm and be extra cautious about new or seasonal offices. Check the IRS website for more tips on how to choose a tax preparer.
3. **Secure your computer** – If you file taxes electronically, be sure to install updated firewalls and anti-spyware protection to help keep your personal data out of the hands of thieves.

During and After Filing

1. **Mail securely** – If you file via mail, be sure to mail your return directly from the post office – do not leave your tax return in your unlocked mailbox or at the curb for pickup by your local mail carrier. Your personal information will be vulnerable until it is retrieved by the postal carrier. It is wise to send tax information by first class mail with a tracking number.
2. **Safeguard Sensitive Information in Home and Outside** – Frequently the greatest threat to personal information comes from service providers or in-home workers or acquaintances. Keep paperwork in a safe location. When carrying this information out of the house, be sure to keep it on you or make sure if you leave it in the car, it is not visible.
3. **Micro-Shred Your Documents** – Cross-cut shredders just don't “cut” it these days. Use a micro-cut shredder for maximum security. The shred size on micro-cut machines is much smaller - documents are literally turned into dust, offering the highest level of security. And since even a seven year- old receipt can be used by a thief, shredding is still one of the simplest ways to prevent identity theft.

Consider Identity Theft Protection Services

For extra identity protection, taxpayers should consider enrolling in an identity theft protection program such as [PrivacyGuard](#).

About PrivacyGuard

PrivacyGuard is a product of Affinion Security Center (ASC), a global leader in providing identity protection and data security solutions to corporations and individuals. For over 35 years products within ASC have been powering many of the world's leading personal data protection solutions offered to consumers by local, national and multi-national enterprises in the financial sector. ASC currently protects over 15 million subscribers with services including IdentitySecure, PrivacyGuard, PC SafetyPlus and Hotline, and serves enterprise and government agencies with the data breach preparation and response tool, BreachShield. Affinion Security Center is part of

the steering committee of the Identity Theft Prevention and Identity Management Standards Panel (IDSP).

For more information please visit www.affinionsecuritycenter.com.

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