

Tips for Using Credit Bureaus to Help Protect Your Financial Accounts

IRS Security Awareness Tax Tip

If you believe you are a victim of identity theft, you should contact one of the three major credit bureaus to place a “fraud alert” on your credit account.

This critically important step makes it harder for identity thieves to open additional financial accounts, such as a bank account, in your name. This helps prevent identity thieves from directing fraudulent tax refunds into bank accounts they created or opening additional credit cards in your name.

The IRS has teamed up with state revenue departments and the tax industry to make sure you understand the dangers to your personal and financial data. Taxes. Security. Together. Working in partnership with you, we can make a difference.

Contacting a credit bureau if you think you are an identity theft victim can help you in many ways, including helping protect your tax information.

The three main credit bureaus:

- www.Equifax.com/CreditReportAssistance; 888-766-0008.
- www.Experian.com/fraudalert; 888-397-3742.
- www.TransUnion.com/fraud; 800-680-7289.

If you are an identity theft victim, you need contact only one of the three to request a fraud alert. One bureau must notify the others when a fraud alert is requested. You’ll get a letter from each credit bureau. It will confirm that they placed a fraud alert on your file.

A fraud alert is free, and it lasts for 90 days. You can renew it. It provides a red flag to other businesses where the thieves may be trying to open accounts and legitimate businesses may take additional steps to verify identities.

Three types of fraud alerts are available:

1. **Initial Fraud Alert.** If you're concerned about identity theft, but haven't yet become a victim, this fraud alert will protect your credit from unverified access for at least 90 days. You may want to place a fraud alert on your file if your wallet, Social Security card, or other personal, financial or account information are lost or stolen.
2. **Extended Fraud Alert.** For victims of identity theft, an extended fraud alert will protect your credit for seven years.
3. **Active Duty Military Alert.** For those in the military who want to protect their credit while deployed, this fraud alert lasts for one year.

Also, you should get your free credit report right away to ensure identity thieves have not opened additional accounts. Go to annualcreditreport.com, which is operated by the three major bureaus, or call 877-322-8228.

If you want even stronger protections or if you were part of a large-scale data breach, you might consider a “credit freeze” which applies even stronger protections but often times for a fee that varies by state.

A credit freeze, also known as a security freeze, lets you restrict access to your credit report, which in turn makes it difficult for identity thieves to open new accounts in your name. You must contact each of the three credit bureaus to establish a credit freeze.

What’s the difference between a credit freeze and a fraud alert? A credit freeze locks down your credit. A fraud alert allows creditors to get a copy of your credit report as long as they take steps to verify your identity.

After receiving your freeze request, each credit reporting company will send you a confirmation letter containing a unique PIN (personal identification number) or password. Keep the PIN or password in a safe place. You will need it if you choose to lift the freeze.

If you apply for credit, a home mortgage or a job, you will have to temporarily lift the freeze so that the businesses may confirm your credit record. There is a fee for lifting a freeze as well.

To learn additional steps you can take to protect your personal and financial data, visit Taxes. Security. Together. You also can read Publication 4524, Security Awareness for Taxpayers.

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your Taxpayer Bill of Rights. Explore your rights and our obligations to protect them on IRS.gov.

REMEMBER WE ARE HERE TO HELP – CALL US FOR A NO CHARGE CONSULTATION – WHETHER IT IS A TAX PROBLEM, IDENTITY THEFT ISSUE – OR AN ESTATE PROBLEM – WE CAN ASSIST YOU