



Tax Tips You Can Use Sept 2007

## **Identity Theft**

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This article is a departure from tax topics, but the punch line returns to tax tips. This month I am writing about identity theft, from a personal perspective.

We all read about identity theft and all of the things we should do to protect our identities. In a tax office, as well as many others, all documents with a name, number or any identifying information are shredded. But, in truth, much of our personal information is available to someone every minute of every day. If you think about your daily activities, your credit card number is printed on the receipt at the dry cleaners; your social security number is on your medical paperwork; the check you write for lunch sits in the cash register; and all of your identifying information is in the payroll office at work.

My experience is, thankfully, a small inconvenience compared to others' nightmares. It began with a few telephone calls from bill collectors about six months ago. Annoyed by the calls asking for someone unknown to us, we screened the calls and did not answer them for several months. As it turns out, that was unwise. Reacting quickly lessens the chance of the item being reported on your credit report.

Not long ago, my husband answered a call from a lawyer asking for someone unknown to us at our telephone number. After talking to the lawyer, my husband learned that there was a debt in collection that had my address, my telephone and my social security number, but someone else's name tied to it.

A person can now request a copy of their credit report for free once each year. I received a copy of my credit report and thankfully this item was not on it. I dodged a cannon ball- because many items are reported by social security number alone and this item would have ruined my sterling credit rating.

Even with this good news, the story is not over. That person is still out there. Will she use my information again? How did she get it? And what about the debt that has my information tied to it? It may be coincidence, but the phony name given is similar to a person I worked with at a small company a few years ago. She was fired. Could it be??

What I have done is to file a police report with the Jackson County Sheriff. This will enable me to contact the debt collector and stop the collection that has my information. A police report will allow me to tell the credit agencies that I have had identity theft and put a fraud watch on my account. I can only hope that this does not affect my credit ratings. The fact is that this debt has my social security tied to it. When a debt is cancelled, it is reported to the IRS as income. So when the credit company cancels the debt, will I get a letter from the IRS saying that I had unreported income due to this? My saga is unfortunately not finished yet. This could haunt me in the years to come.

The fine print is that this article is for information only. Please call Kathy or a tax professional for questions about your individual tax situation. The Jacksonville Tax Lady can be reached at 541-899-7926 or at 610 North Fifth Street.

