

Senate Committee on Finance,
Subcommittee on Fiscal Responsibility
and Economic Growth on May 25, 2011.

Statement of Victim of Identity Theft

Dear chairman and Senators of the Finance Committee, thank you for the opportunity to bring light to my recent experience with the Internal Revenue Service.

On December 1st, around 2:30pm I stopped at a gas station, in Miami, Florida, to get gas. As I am pumping gas, my handbag is stolen from my car, from the opposite side of where I was standing. I, immediately, report the case to the police and to the gas station owner. They looked through their video surveillance and found the video of my handbag being stolen and a good, but not perfect, image of the young afro-American man who stole my bag. The gas station owner told me, and the police, that the man in question lives in the neighborhood and shops there on a daily basis. Basically she tells us that she recognizes this man.

As I start calling credit card companies, banks, etc, to close and protect my accounts, I find out that the criminal had already used my ATM card for gas in another gas station, on Biscayne Blvd, where they could possibly have another video of him, given that I had the exact time of the transaction to provide them with.

In my handbag, there were my house keys, mail box keys, elevator card, wallet with driver's license and home address, mine and my daughter's social security numbers, my daughter's school security card and the information on her school, bank cards, credit cards, department store cards, health insurance cards, a video camera with videos of my family, my life, my home and my daughter, as well as a digital camera with very detailed pictures of my life, home, and daughter, apart from other personal and valuable items as well as the handbag itself and money.

Very concerned about my daughter's safety and my own, even after taking all possible precautions, from that day on, I started calling

the police to give them updates on numerous fraud attempts to my accounts and to ask for updates on the investigation. Till almost the end of December, there was no detective assigned to my case due to the vague report written by the police agent at the crime scene (unless a certain amount is lost in property and money, the police doesn't even open a case). With the report now corrected, a detective was assigned to my case.

The day I went to the police station to meet with Detective Alce and review my report, I was informed by another agent in the station, that I should be prepared to face fraud on my upcoming taxes, and every year after that. The officer who was alerting me to the problem had also been robbed, a victim of Identity Theft, and her tax return fraud issues persisting for many years.

During my meeting with Detective Alce, I reported a couple of important leads as per an attempt of fraud on my FPL account, when an additional address was added to my existing electricity account – address which at that point,

I had in my hands. Also, Bloomingdale's department store, had informed me that someone tried to break into my account information and a landline number was recorded in its phone system and they would happily convey that number to the police. Moreover, I found out that when Detective Alce went to check on the video surveillance on both gas stations mentioned above, the videos were no longer available.

We were then entering January 2011. My concern was to avoid a more serious crime. I was, and still am, very concerned that the abundance of information in a criminal's hands could come back to hurt my home, my daughter, or myself; not to mention, my so far pristine credit, and a criminal with access to my financial information, continuously stealing money from me.

On my own, I then contacted Social Security in the hope of changing my own and my daughter's SSN, I contacted all credit agencies to freeze my SSN and open, at least a file, under my daughter's number being that she is only 2

1/2 years old, I hired Lifelock for both myself and my daughter, I closed accounts, blocked bank accounts and contacted the IRS to alert them of my situation as a victim of Identity Theft and to place an alert regarding my 2010 tax return.

IRS, on its website, has a page on Identity Theft problems and an explanation of what to do to prevent fraud. They request proof of identity and an affidavit stating the nature of the problem and the year in question. By March 11th, I sent out all the required documentation and also called the IRS pleading for them to put an alert on both my daughter's and my SSN.

By the beginning of February, I received my W2 and hurried to get all my information to my accountant who has filed my taxes for many years.

On February 9th, my accountant filed my taxes electronically, only to receive a message back stating that there was already a tax return filed under my SSN, and therefore it was not possible to file any other return. I immediately called the IRS to report what I clearly understood as a

fraud and to ask for help on correcting the situation. The response I got back was that it was going to be a long wait, and that I had to send my original tax file by mail, along with a new affidavit and proof of identity.

This case was a clear fraud. Someone in Miami had filed taxes under my SSN and had already received a check. I found out through the agent I was speaking to, what address the IRS used to send this tax return check. Nobody could tell me why the IRS had filed a tax return under a SSN that had been flagged, without making at least one phone call to check the authenticity of it. Nobody could explain why the affidavit I previously sent didn't serve its purpose.

As a single mother, who is very organized, who has never delayed a bill payment, and has always followed all rules and regulations, I was in shock and extremely concerned about the tax return I was due to receive and I was very much counting on.

I immediately sent all necessary documents to the IRS. Along with my personal effort to deal

with the IRS, I was hoping to find help from others to prevent my case to fall on a forgotten pile of cases to solve. Senator Nelson's office was open to listen to my case and to help me plead with the IRS for a prompt solution and correction of the fraud I had been a victim of unnecessarily.

By the end of February, beginning of March, I received a call from the IRS Advocates representative who was going to set my case with one of their representatives. She checked all the information necessary and heard my concern of such a long wait to receive my return and the fact that, as a single mother and a victim of Identity Theft, I had my hands full and needed help. She told me that she had also raised her kids alone and that she new how difficult everything was. Then, she told me she was going to change the code on my case to expedite it. By March 22nd, the assigned advocate called me requesting new copies of my tax file documents and told me to wait for her updates.

On April 7th I received my tax return check for

\$4,299.00 and my case was finally closed. I then thanked my tax advocate and asked her information on a supposed pin number that could be assigned by the IRS to ID Theft victims to avoid future frauds. She told me she did not know about it but offered to check into it. A couple of days later, she got back to me with information on a pin that is actually designed for those who will submit their taxes electronically.

For my surprise, on April 15th, I received a letter from the IRS documenting that another individual had filed a tax return under my SSN. They also told me I could be a victim of Identity Theft and that they have placed an identity theft indicator on my tax account for 3 years. I can only hope the IRS will, in fact, mind their own alert and check any information received under my SSN. So far, nothing has been done to prevent fraud on my daughter's SSN, despite an affidavit sent to the IRS under her name and SSN as well.

I also looked for help with the Secret Service, as I was told that they are the organization responsible to investigate Federal Crimes such

as Tax Fraud. The officer in charge told me that even if I had leads to offer, including the address used to receive the IRS check, they could not start a case until formally informed about the case by the IRS. Who knows how long this will take and if the leads would still serve any purpose by then.

I was born and raised in Brazil, visiting the US often for vacations. It was clear to me that the US was a country that functioned efficiently, a country where people had a stable system to count on. I have been here for 13 years and after studying and working here, also having my daughter here, this is home for me. It's really a pity to finally realize that after I was robbed, every step of the system has failed in solving my case or to protect myself and my family from ID Theft.

From police leads that were never followed, a criminal who leaves around the corner from me and was never caught, an SSN that has become a nightmare in my life, banks that still cannot protect client's identity, credit cards that are still relying on SSN as master proof of identity,

taxpayers that end up paying for a criminal to get someone else's tax return, and the Secret Service who cannot investigate a Federal Crime, as the fraud on my tax return, until the IRS is finally ready to send them an official file on the case, nothing was really in place to protect the honest taxpayer from a fast growing crime as Identity Theft. Good for the criminals, who are taking full advantage of the failed system to steal money from hard working people.