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This may not be what you want to hear this week, but it is entirely possible the Internal Revenue Service already has your [tax return for 2016](#). If this is news to you, and it turns out to be true in your case, you've been scammed. As a result, your refund could be sent to an identity thief in a few weeks, and it's unlikely anything can stop that from happening.

Unfortunately, [tax refund fraud](#) is a reality for a whole lot of Americans. It is caused by the tidal wave of useable data that has already been (or soon will be) stolen by hackers and flows from embarrassingly shoddy information security practices at the public and private enterprise level and among individual taxpayers.

Before you throw in the towel, there are some things you can do to [decrease your attackable surface](#) when it comes to this form of identity theft. First of all, remember that opportunities abound for crooks everywhere. The most obvious places: in wallets (people still carrying Social Security cards and other forms of identification that include SSNs — think Medicare Cards — that can be used by scammers), on computers (protected by weak passwords or connected to insecure networks), and on smartphones susceptible to malware and phishing attacks.

I know what you're thinking: "None of this pertains to me." Wrong.

If your Social Security number pops up in the tax-fraud lottery, you can forget about the 21-day turnaround time that the IRS has to get you your money. While the dispute process is a lot better than it used to be — due entirely to the fact that tax refund fraud has been increasing at a breakneck clip — if you "get got," expect at least a six-month wait (and that's assuming everything goes OK).

Imagine for a moment that your Social Security number has been among those 120 million leaked in one of the countless data breaches reported in 2015 (remember, still more have almost certainly occurred that have not come to light yet). Now bear in mind that the best advice to avoid becoming a tax refund fraud statistic is to file your tax return as soon as possible and hold your breath.

Safeguards for 2017

As part of its December “National Tax Security Awareness Week,” the IRS announced new safeguards. They come in the form of “trusted customer features,” which “will not be visible to taxpayers” and include measures to strengthen the authentication that a tax return is being filed by the real taxpayer and extending more identity theft protections to business filers and individuals.

According to the IRS, more than 20 states are working to create a program to flag suspicious refunds before being deposited into taxpayer accounts, and the Form W-2 Verification Code initiative will expand to 50 million forms in 2017, from 2 million in 2016. Progress, if not perfection?

There is something else besides these IRS initiatives that remains invisible to the taxpayer, and that is when their Social Security number, and possibly even more of their personally identifiable information, is used by a criminal to steal a tax refund.

The IRS is getting proactive this year. People claiming an earned income or additional child tax credit will be the most affected, with the 21-day period allowed for refunds being extended so that the IRS can take precautions and be as sure as possible that they are not paying out refunds based on fraudulent claims.

The Tax Fraud Basics

As I detail in my book, [Swiped: How to Protect Yourself in a World Full of Scammers, Phishers, and Identity Thieves](#), there are some things you should

always bear in mind to scam-proof yourself.

Hang up!

If you get a phone call from the “IRS,” hang up. It doesn't matter what your caller ID says. Spoofing a number is not a terribly difficult project for someone working an IRS phone scam. The actual form this scam takes depends on the person running it. The caller might give you a badge number. He or she might even have your Social Security number, or the last four digits of it.

The caller may [threaten you with jail time](#). They may know details about you. It may seem real. But again, if you get a call like this, hang up and dial the IRS at 800-829-1040. Bear in mind that recent budget cuts mean you will probably be in a caller queue for the better part of an hour, only to be told there is no one who can talk to you about your issue.

Or just bear this in mind: The IRS will never initiate contact you by phone. If they do, believe me, it's not them — it's a scam.

Phishing

Do you know what's even more unlikely than the IRS calling to threaten you with jail time? I'll save you a guess: getting an email from the IRS.

The IRS only contacts taxpayers via the U.S. Postal Service. While it may feel strange, should an email from the IRS arrive in your inbox, don't reply. Trash it. And do the same with any other request for your information that comes by way of email — even if it's legitimate. Many companies and organizations have [terrible data hygiene practices](#). Get on the phone and provide what's asked for (assuming you make the call and are in control of the conversation).

Crooked Accountants and Other Miscreants

If someone promises you a ginormous tax refund — bigger than anything your accountant could get you — run.

This particular variety of bottom-feeding fraudster — a fake accountant, essentially — subsists on a steady diet of elderly clients and low-income filers. A few hallmarks of phony filers include: asking you to sign an incomplete tax return; refusing to sign the tax return themselves; or refusing to provide you with a copy of the return filed in their name. Another common strategy is directing the refund to the fraudulent filer's bank account. From there, the scammer either skims a huge fee (also known as stealing money) or they just keep the entire refund.

You Are Who You Hire

It can be great to hire someone to prepare your taxes (as roughly 60% of taxpayers do). It takes a lot of the guesswork out of the equation. That is, of course, unless the “professional” you hire is engaging in guesswork. Are you sure the person preparing your taxes is an accountant or at least works with one they can consult? When it comes to choosing a tax preparer, there should be zero guesswork. Hire someone you've thoroughly checked out, and who has three solid references — at least one of them coming from someone you trust.

Why? Well, whatever they do, you do. Your signature goes on the return, and if there are fraudulent items in it, you're the one who could wind up in prison.

As IRS Commissioner John Koskinen said during National Tax Security Week, “We all have an important role to play in protecting against identity theft and refund fraud.” Right now, the best protection against fraud remains early filing.