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Make Sure Your Social Security Number Isn't In The Wind

The IRS needs your Social Security number. In fact, it's probably more important than your name. The IRS keys just about everything to it, including all those critical little Forms 1099 you have to keep track of each year at tax time.

There's [1099-INT](#) for interest, [1099-DIV](#) for dividends, [1099-G](#) for tax refunds, [1099-R](#) for pensions and [1099-MISC](#) for all sorts of miscellaneous income. All are keyed to your Social Security number. That would make it doubly upsetting to find that the IRS had disclosed it to others.

The IRS warns you about how to protect yourself: [Top Tips Every Taxpayer Should Know about Identity Theft](#). The IRS also has this [Taxpayer Guide to Identity Theft](#). But mistakes happen, and an [audit](#) by Public.Resource.org suggests the IRS may have mistakenly posted "tens of thousands" of Social Security numbers on the Internet.

As reported in the [National Journal](#), the identifying numbers were not exposed for long. This isn't exactly Edward Snowden-worthy either. Yet some



coverage of the story reported big numbers. See [IRS dumps up to 100,000 Social Security numbers on the Internet](#). It makes you wonder who saw them and mined the data. The data-breach concerned nonprofit political groups known as 527 organizations.

When the IRS told Public.Resource.org's founder, Carl Malamud, to disregard [Forms 990-T](#) included in the agency's January release, he discovered that it revealed Social Security numbers. See [The IRS Mistakenly Exposed Thousands of Social Security Numbers](#). Malamud wrote the IRS [pointing out](#) instances where a Social Security number was accidentally revealed.

Of over 3,000 tax returns contained in the January update, 319 contained sensitive data the agency should have scrubbed, Malamud wrote in the [July 1 report](#) filed with the inspector general's office. He claims about 2,319 Social Security numbers—perhaps more—were revealed. Public.Resource.org called the IRS's efforts at data security “unprofessional and amateur,” and [requested](#) the IRS shut down the 527 database.

Congressman Tom Latham (R-Iowa) has authored a letter to acting IRS Commissioner Daniel Werfel seeking explanation for the unauthorized public disclosure of as many as 100,000 Social Security numbers, and the agency's procedures for handling such data. See [July 10, 2013 Press Release](#).

The IRS suggest care with this key number. Show your Social Security card to your employer when you start a job, the IRS says. Also show it to your financial institution for tax reporting purposes.

But in general, the IRS says you shouldn't carry your Social Security card with you. For that matter, don't carry **other** documents that display your number either. If your Social Security number is stolen, the IRS warns that someone else may use it to get a job. The unwitting employer may report the income to the IRS under your purloined Social Security number.

The IRS will assume when it sees that income reported to your number that you failed to report all your income on your tax return. Trouble will ensue. If you end up in this pickle, you can explain the fraud to the IRS and get our record updated. But you don't want to go through this if you can help it. Be careful out there.

You can reach me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.