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ADOR Uncovers Fraudulent Online Returns

MONTGOMERY, Feb. 5, 2015— The Alabama Department of Revenue (ADOR) has discovered a number of attempts to file fraudulent income tax returns for the 2014 filing season. The fraudulent filings originate from data compromised through a third-party commercial tax preparation software process and were detected through ADOR's fraud detection systems.

All information in the State's tax computer system remains secure and has not been compromised. Alabama taxpayers who filed state income tax returns electronically prior to 2014 through third-party vendors are potentially affected.

To this point, ADOR has flagged 16,000 returns filed and suspected of fraud from the third-party commercial tax preparation software. ADOR is reaching out individually to alert those who are confirmed to have been victimized.

"The taxpayers in our state expect the department to take every measure possible to ensure they can file a return and receive a refund, if applicable, without learning that someone has stolen their ability to do so," said Julie Magee, Commissioner of Revenue. "Our systems have not been compromised but we feel it is our responsibility to alert taxpayers who have potentially had their personal information compromised by a third-party tax preparation service, so they can take the necessary steps to protect themselves, including changing their user name and password."

ADOR is taking extra precautions to verify filings and refunds to ensure that the correct taxpayer receives his or her proper refund. The department uses all available technology and resources to help protect and secure all taxpayer data. When inconsistencies in returns are identified, ADOR will send identification verification questionnaires to individual taxpayers.

"ADOR will continue to work for Alabama taxpayers, doing everything we can to strengthen protection of taxpayers' identification and confidential information, no matter how they choose to file," Magee said.

Taxpayers who have concerns about the security of their personal information provided to a tax preparation software service should contact that provider.

Taxpayers may verify the current status of their state income tax return by going to <https://myalabamataxes.alabama.gov/> or by calling 334-242-1170.

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