

ID theft spikes at tax time

BY TRIPP WHETSELL
NEW YORK DAILY NEWS

Nalini Persaud's tax refund was supposed to be her salvation this year.

Persaud, 30, a single mother from Hollis, Queens, said the \$5,000 check she expected to receive from the IRS on wages she'd earned from her recently-closed housecleaning business is urgently needed as she struggles to support herself and her nine-year-old daughter on part-time babysitting jobs.

Persaud even filed her tax return in January so she would get her refund early — only to discover that someone in Brooklyn had somehow obtained her Social Security number and received her check by filing a fraudulent tax return using Persaud's personal information.

"It's been a nightmare and I wouldn't wish this on my worst enemy," said Persaud, who has no idea how it happened or when the matter will be resolved.

"I have no savings and no fulltime job prospects, so I was counting on this refund to help me get back on my feet and restart my business, but now that's impossible."

With the April 15 deadline for filing tax returns looming, incidents of tax fraud are on the rise again across the U.S. as thieves file fake returns using real Social Security numbers, then keep the refunds.

The Internal Revenue Service flagged an estimated 262,000 suspicious returns in 2011 seeking nearly \$1.5 billion in refunds — an increase of more than 80% from the year before.

The Federal Trade Commission currently lists ID theft as its No. 1 consumer complaint for the twelfth consecutive year, with about 15% of complaints tax-related.

The money involved can be staggering. Federal authorities recently uncovered a massive scheme in which the perpetrators reportedly received about \$2 billion in refund checks using the stolen identities of Puerto Rican citizens.

Though no one is immune, among the most common targets in New York City are people who live in immigrant communities where a recent flood of unqualified storefront tax preparers have been cropping up, said New York City Department of Consumer Affairs Commissioner Jonathan Mintz.

Even if the preparer is legitimate, clever ID thieves will find a way to get their hands on the treasure trove of personal information found on a return.

"The harsh reality is that even with our best efforts to curtail these shady operations, nothing is foolproof.

"And no tax preparer is completely immune to criminal activity regardless of how good his oversight is," added Mintz.

"The problem is that as well as you think you might be



Income tax fraud victim Aboubacar Donzo in his Far Rockaway home. Photo by Christie Farriella

protecting yourself, you are only as safe as the places that have your information," said Steven Weisman, an identity theft attorney and author of "The Truth About Avoiding Scams."

To avoid potential problems, Mintz advises New Yorkers either check out their preparer's credentials with professional organizations like the American Institute of Certified Public

Accountants (aicpa.org), or call the 311 hotline to inquire about any complaints.

"As much as technology makes our lives simpler, it also makes the lives of identity thieves easier, too," Mintz said.

Aboubacar Donzo, a 49-year-old livery cab driver from Far Rockaway, Queens, knows firsthand just how easy — he's had his identity stolen three times

AVOID BECOMING A VICTIM

Though both the Justice Department and the IRS say they've redoubled their efforts to crack down on tax identity theft this year, New York City Department of Consumer Affairs Commissioner Jonathan Mintz says that self-protection is still the best way to go. Here are five things you can do:

- 1 Never give personal information over the phone and never click on unfamiliar email links.
- 2 Be careful when using unsecured WiFi, create strong passwords and only download trusted software and apps.
- 3 If you're using a public computer, make sure any documents are deleted before you leave, and check to be sure the Internet settings aren't saving your personal information.
- 4 Download your free annual credit report at annualcreditreport.com and look for accounts that are not familiar.
- 5 Never carry your Social Security card in your purse or wallet, and only carry credit or debit cards you plan to use.

since 2006, most recently in January. And he still doesn't know how it happened.

"I work hard, play by the rules and this is what happens," said Donzo. "I feel like I've been betrayed by the entire system."

Get the right home improvement help

BY ELIZABETH LAZAROWITZ
NEW YORK DAILY NEWS

With the weather warming up, it may seem like a good time to spring into your home improvement plans.

Whether you just bought a new place or you're fixing up an old one, who you hire to help you out can make the difference between a haven and a money pit.

Last year, the Better Business Bureau received more than 6,000 complaints against general contractors, up 11% from the prior year.

To avoid the headache of using a contractor who overcharges and underperforms, it's important to check them out ahead of time.

Start by looking online. The BBB has free reviews of thousands of general contractors across the country available at bbb.org/ search. There are also customer-written reviews at websites like Yelp, which is free, and Angie's List, which charges a membership fee.

The BBB recommends the following tips to make sure that the contractor you choose doesn't turn your home makeover into a nightmare:

- Don't just hire someone who comes knocking on your door. They're more likely to be a fly-by-night operation than an established business.

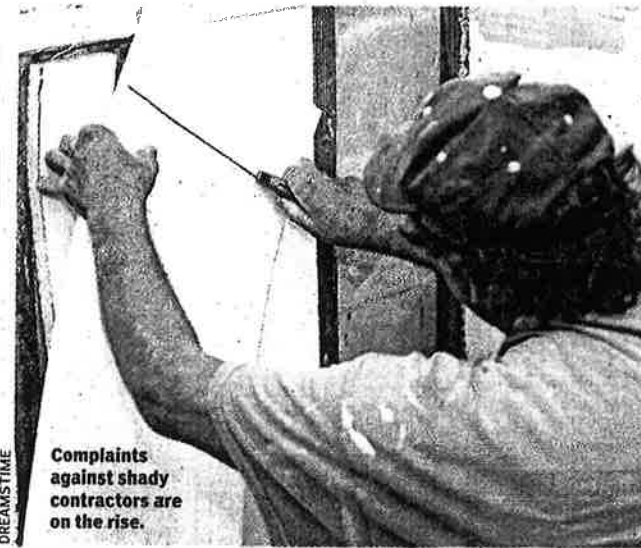
- Get at least three bids. Make sure you have enough detail about the specifications, materials and labor to make an apples-to-apples comparison. If one bid is unusually low, find out why before you jump on it.

- Make sure the company you want to hire has proper licenses and insurance. Ask for proof the company is insured against workers' compensation, property damage and personal liability claims. Check with local agencies to make sure they are certified.

- Put it all on paper. Get your contract in writing, including start and finish dates for the project. Require a "lien waiver" on completion of the job, which states that all suppliers and subcontractors have been paid for their work.

- Follow the "Rule of Thirds." Pay one third of the total cost at the start of the project, another third when it's 50% completed, and the final third when it's all done.

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Complaints against shady contractors are on the rise.