

Target Data Breach Fallout: Tax Refunds at Risk?

Identity theft is getting worse, and some say the recent breach at Target could be just the beginning of a surge in credit card thefts. Now experts warn your tax refund may not be safe either.

The number of Target customers whose personal information was stolen over the holidays is nearly three times larger than first reported—as many as 110 million customers' names, addresses, phone numbers and email.

“If your information has been breached, you need to know about it,” consumer watchdog John M. Simpson said.

Target customer Cynthia Hamous said she used her credit card on six of those days.

“They gave out all the dates that they were concerned with and, out of all those dates, I have been here six times using my card,” she said.

Even if you've been tracking your credit cards since the massive breach became public, you may still not be in the clear. That's because it may take weeks or months before criminals start using that information.

“Many times there may not be any suspicious activity yet because the attackers might sit on this information for some time and they might sell that data to other people that might take action on it,” Internet security expert Lee Weiner said.

“If it's a very advanced attacker, they will delete their trail and it doesn't matter what forensic tools you have, you cannot reconstruct that attack,” Waylon Krush, CEO of Lunarline, a cyber-security and privacy provider, said.

Identity theft is already the No. 1 complaint to the Federal Trade Commission. And with tax season ramping up, that's expected to continue.

Tax-related identity theft is becoming big business for cyber criminals.

If the hacker is successful, your tax return will be kicked out of the system and the refund will be denied because the IRS computers will show that someone was already paid.

Experts say if you file by mail, do it at a post office, not from an unlocked mailbox in front of your house. If you file electronically, use a secure computer on a secure network.

If your return is hacked, you will get your money eventually, but it could be delayed for up to six months.