

# Protect Yourself from Employment ID Fraud

## BACKGROUND

Many people assume that identity fraud always involves credit accounts. In fact, there is a wide range of identity fraud types. One important category is employment-related identity fraud. This category represents 15% of the reported cases in the most recent annual report from the Federal Trade Commission. The incidence of this type of fraud has been growing in recent years as authorities have increased pressure on employers in the U.S. to hire only workers with proper documentation, including a valid Social Security number.



## HOW IT HAPPENS

In many cases, there is likely to be a chain of criminals between you and the person using your identity for employment.

1. The first criminal is the one who steals your identifying information. They may steal something physical that contains this information, such as your wallet, your computer or your mail. Alternately, they might get this information by hacking into your computer or the computer of a company or organization that has your information on file.
2. The second criminal functions as an identity “fence” – buying your identity information from the first criminal and selling it to the third, usually online.
3. The third criminal typically buys a block of personal identities that can then be resold to individuals looking for forged papers and other fraudulent assistance for gaining employment.
4. The fourth and final criminal in this chain is the one who utilizes the forged papers to gain employment and perhaps report wages to your Social Security number.



## A PROBLEM?

Unlike other forms of identity fraud, the harm to the victim is not immediately obvious. Why should you care if your information is misused to enable the employment of an undocumented worker?

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Here are some of the issues for the victim:

- The worker's earnings will be reported to your Social Security number. This could increase the taxes you owe.
- If the worker commits a crime, the record of it will be linked to your identity.
- The identity fraud is not likely to be limited to the employment. Once the worker has a job, that person is likely to rent an apartment, get a bank account, buy a cell phone and so on. All of these transactions will require ID.

## LOSS DETECTION AND RESPONSE

If you are a U.S. worker or former worker over the age of 25, the federal government sends you a Social Security report each year. The report is normally sent three months prior to your birthday. The report shows your Social-Security-eligible earnings by year for each calendar year of your working life. Please note that the report does not list the source of your earnings.

You should check your Social Security report when it arrives and make sure the government numbers for your earnings match your own records. If not, the total could include the earnings of another worker using your identity.

You should also be suspicious if:

- You receive employment-related tax records from an entity that is not your employer.
- The IRS indicates that they believe you have taxable income from an entity that is not your employer.



If you have any reason to believe your identity is being misused, please contact the ID Recovery Help Line at 1-800-414-9792.

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