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IRS Advises Taxpayers to Be Aware of Tax Scammers

INTERNAL REVENUE SERVICE, TAX
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Although tax preparers usually have their busiest month in April, tax scammers and identity thieves are busy at work throughout the year. The IRS has advised taxpayers to be alert for these scam artists, as the IRS has noticed an alarming increase in these criminals who impersonate IRS employees, attempting to steal money or identities.

In May of 2016, Treasury Inspector General for Tax Administration (TIGTA) agents arrested five suspects in Miami. The five were allegedly responsible for almost \$2 million in wire frauds involving more than 1,500 victims. TIGTA has also recently made arrests in New York and California, where the suspects had ties to India. These arrests show that TIGTA is making progress in apprehending these criminals, who, so far, have defrauded taxpayer out of more than \$36 million.

In the past, victims were often elderly Americans, immigrants who speak English as a second language and other vulnerable taxpayers. However, as their techniques have become increasingly sophisticated, everyone is a potential target.

These criminals know that many taxpayers fear the authority and reach of the IRS. So, the scammers will attempt to use scare tactics to trick people into giving them their personal information or paying bogus tax bills. The scammers, posing as IRS employees, will often threaten to arrest or deport individuals, garnish wages, revoke licenses, and confiscate bank accounts, unless the target pays a fictitious past-due amount immediately. Scammers use landline or cell phone calls, text messages, emails, and regular mail to reach their potential victims. Here are just a few of the techniques that the scammers have been known to use:

- **Caller ID Spoofing.** The scammers will use a caller ID very similar to the IRS's caller ID to make it appear that the IRS, or another official agency, is actually calling. They will also often use urgent "robo-calls," where you are instructed to call back immediately.
- **Official IRS Letterhead.** The scammers will obtain an actual IRS letter and white out the original body of the letter, while keeping the IRS address and other legitimate information. However, they will insert your address and their own phone number into the notice that is sent. They will then instruct you to call their phone number, with your banking information, to pay your phony tax bill.
- **Official- Looking Email Addresses.** Scammers' email addresses will often be very similar to an IRS address. The IRS has instructed taxpayers to be vigilant when opening emails, even if it looks like it is from a known source. The official IRS website is IRS.gov, so be suspicious of websites that are slightly different, including websites ending with a new designation, such as; .org, .com, or .net,

instead of .gov. (This is an important reminder when opening an email from any source, including emails from your bank, your accountant, or your employer.) Also, be sure to protect your computers with firewalls, anti-spam/virus software and by changing passwords for internet accounts regularly.

How does one avoid falling victim to one of these schemes? First, never provide personal information to suspicious strangers who make unsolicited calls or emails. If you suspect that a scammer has contacted you, hang up immediately. Second, know how the IRS operates. The IRS will not:

- Call demanding immediate payment. If the IRS believes there is an error on your return, there is missing information, or that you owe additional tax, they will send an official tax notice in the U.S. mail first. Scammers will often say that an official notice was sent to your address via the U.S. mail. They will question why you did not respond and then will demand immediate payment. If there is a disagreement about a real IRS matter, there is always a formal grievance or appeal process.
- The IRS will never require you to pay over the phone using a certain form of payment, such as a debit/credit card or a wire transfer. You will always have the option of paying via a secure authorized IRS payment service. These methods can be verified online at the IRS website.
- The IRS will not call or email you to verify your identity by asking for personal and financial information.
- The IRS will not send tax notices via email.
- The IRS will not threaten to have the police, or another agency, arrest you immediately.

You do have an obligation to pay your correctly computed taxes, and any possible interest and penalties, but you do not have to pay what you do not owe. Actual IRS employees will work with you in making arrangements to pay any amounts that you legitimately owe. They will not threaten or harass you without due process. You do have rights when you are dealing with the real IRS. These rights are outlined in the "Taxpayer Bill of Rights," and you can find them on IRS.gov. However, when you are talking to the IRS, make sure that it is actually the IRS you are dealing with.

If you are unsure about whether a phone number, email address, or physical mailing address is legitimate, verify it at 800-829-1040, or through the IRS website at IRS.gov. If you have been targeted by a scam artist, immediately report the scam to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. Also report the scam to the Federal Trade Commission by using the "[FTC Complaint Assistant](#)" on FTC.gov. If you are uncertain as to whether a tax scammer has accessed your personal information, contact the IRS Identity Protection Specialized Unit at 800-908-4490.

[Contact us](#) if you have questions regarding tax scams and visit our [Our Thoughts On blog](#) for more articles pertaining to tax fraud techniques.

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