



## **TAX FRAUD**

Be on your toes this year for Tax Scams

The 2019 tax year just ended, and fraudsters are already attempting to con the unsuspecting in 2020. While tax scams are a year-round business for fraudsters, they become more prevalent in the new year, when people begin filing their returns. Don't let your guard down – particularly in light of data breaches which provided fraudsters with the personally identifiable information needed to file fraudulent tax returns – and scams that are already being reported

Fraudsters attempt to commit tax refund fraud by filing tax returns under another person's name and Social Security number. Refunds from these bogus returns are then typically deposited into member accounts as ACH credit transactions or as checks to be deposited or cashed.

These tax season scams are already being reported by consumers:

- A scare campaign using robocalls claiming that law enforcement is going to suspend or cancel the call recipient's Social Security number (SSN) in response to taxes owed. This scam often tricks people into calling these numbers back, even though according to the Federal Trade Commission (FTC), a person's Social Security number will never get suspended. Plus, the IRS only contacts taxpayers through snail mail or in-person.
- Another tax scam involves emails and impersonators that claim to be from the IRS, either reminding you to file your taxes or offering you information about your refund. These emails involve spoofed websites to collect any information you input, facilitating identity theft. They can also infect your computer with malware, allowing fraudsters to steal more data.
- Since many know that the IRS doesn't ask for money over phone or email, scammers are sending out letters. This letter claims to be from the Bureau of Tax Enforcement and may mention the IRS, demanding immediate payment. While these letters look legit, the Bureau of Tax Enforcement does not exist.

In addition, scammers are posing as tax professionals; however, they are really ghost tax preparers that will take money to prepare your taxes but won't sign the return, making it look like you did the work yourself. Ghost preparers often lie on the return to make you qualify for credits you haven't earned or apply changes that will get you in trouble. Since they don't sign, you'll be responsible for any errors. At best, you'll have to repay the money owed. At worst, you could be looking at an audit.



The IRS will not send unsolicited emails, text messaging, social media, and phone calls. They will never ask for personal information, such as your SSN, PINs or passwords.

- If you are suspicious call the IRS directly and not the number on the fake letter, email, website, etc., as it could connect you to the fraudster. Instead, look up the number online.
- Ensure tax preparers have a valid preparer tax identification number (PTIN). These numbers are issued by the IRS and get updated each year. You should always be sure the preparer signs the return before submission.

REF CUNA Mutual Group 2020