

# Avoiding Tax Scams

Many individuals feel confident that they would never fall victim to a tax-related scam. However, stories over recent years are showing that sophisticated scams continue to surprise many people, both in their ingenuity and success in yielding significant sums of money and personal information for the scammers.

The IRS is constantly working to assist taxpayers in increasing awareness, including its annual release of the "Dirty Dozen" list. Fraud and deception, which target taxpayers, seem only to be escalating. How can you protect yourself from scams such as telephone calls, emails, fraudulent preparers, or even fictitious charities? Understanding the current landscape and being cognizant of certain key points can help protect you from falling prey to continuously evolving tax scams.

## The Telephone Call/Email

Oftentimes, a scammer will call or email a potential victim to "inform" the taxpayer that he is due a large refund or, unfortunately, owes money to the IRS. Calls may appear to be from the IRS on caller ID, and emails may appear to be from an authentic government website such as USA.gov or a variant of IRS.gov. This may lead people to believe that the call or email is legitimate. A taxpayer who is due a large refund will wish to get his money as quickly as possible, and the scammer will often use this to lead the taxpayer towards divulging information to receive a direct money transfer/wire transfer. In the case where the caller says the taxpayer owes money to the IRS, the caller may use threats of immediate arrest, jail time, potential audit, or a wage or bank levy to coerce the taxpayer to divulge information to make an immediate payment from their bank account or credit card. In either case, the scammer's goal is to get the victim's money and vanish. The IRS consistently explains why no one should accept these calls or emails, or respond in to such calls or solicitations.

In order to avoid potential traps, know that the IRS:

Will never threaten you with arrest by law enforcement.

Will never require a specific payment method, such as a prepaid debit card.

Will not contact you without first sending an official notice in the mail.

Will never demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.

Does not initiate contact with taxpayers by email, texting, or any social media.

