

IRS REBATE CHECK SCAM ALERT

Consumer IRS Alert -- The IRS warns taxpayers to be on the alert for e-mails and phone calls they may receive which claim to come from the IRS or other federal agency and which mention their tax refund or economic stimulus payment. These are almost certainly a scam whose purpose is to obtain personal and financial information — such as name, Social Security number, bank account and credit card or even PIN numbers — from taxpayers which can be used by the scammers to commit identity theft. The e-mails and calls usually state that the IRS needs the information to process a refund or stimulus payment or deposit it into the taxpayer's bank account. The e-mails often contain links or attachments to what appears to be the IRS Web site or an IRS "refund application form." However genuine in appearance, these phonies are designed to elicit the information the scammers are looking for. The IRS does not send taxpayers e-mails about their tax accounts. Additionally, the way to get a tax refund or stimulus payment, or to arrange for a direct deposit, is to file a tax return.

The IRS has cautioned taxpayers to be on the lookout for a scam using the rebate checks from the economic stimulus package as bait. The goal of the scams is to trick people into revealing personal and financial information, such as Social Security, bank account or credit card numbers, which the scammers can use to commit identity theft.

Typically, identity thieves use a victim's personal and financial data to empty the victim's financial accounts, run up charges on the victim's existing credit cards, apply for new loans, credit cards, services or benefits in the victim's name, file fraudulent tax returns or even commit crimes. Most of these fraudulent activities can be committed electronically from a remote location, including overseas. Committing these activities in cyberspace allows scamsters to act quickly and cover their tracks before the victim becomes aware of the theft.

For more information and to learn how to protect yourself, go to <http://www.irs.gov/newsroom/article/0,,id=178061,00.html>. Any information or complaints can be given to the Las Vegas IRS-CI Fraud Line at (702) 868-5089.

IRS ABUSIVE TAX RETURN PREPARERS ALERT

Taxpayers should be very careful when choosing a return preparer. You should be as careful as you would in choosing a doctor or a lawyer. While most preparers provide excellent service to their clients, a few unscrupulous return preparers file false and fraudulent tax returns and ultimately defraud their clients. It is important to know that even if someone else prepares your return, you are ultimately responsible for all the information on the tax return.

Dishonest return preparers use a variety of methods to formulate fraudulent and illegal deductions for reducing taxable income. These include, but are not limited to, the following:

- Preparing fraudulent Schedule C, Profit or Loss from Business, claiming deductions for expenses that have not been paid by the taxpayer to offset Form 1099, Miscellaneous Income, or income earned from outside employment,
- Including false and inflated itemized deductions on Schedule A, Itemized Deductions, for:
 - charitable contributions medical and dental expenses
 - Claiming false Schedule E, Supplemental Income and Loss, losses
 - Claiming false dependents

Helpful Hints

IRS Criminal Investigation (CI) reminds you:

- Taxpayers are responsible for the accuracy of all entries made on their tax returns, which include related schedules, forms and supporting documentation. This remains true whether the return is prepared by the taxpayer or by a return preparer.
- Be careful in selecting the tax professional who will prepare your return. Some basic tips and guidelines to assist taxpayers in choosing a reputable tax professional are:
 - Avoid return preparers who claim they can obtain larger refunds than other preparers.
 - Avoid preparers who base their fee on a percentage of the amount of the refund.
 - Use a reputable tax professional that signs your tax return and provides you with a copy for your records.
 - Consider whether the individual or firm will be around to answer questions about the preparation of your tax return, months, even years, after the return has been filed.
 - Never sign a blank tax form.
 - Ask questions. Do you know anyone who has used the tax professional? Were they satisfied with the service they received?
- Tax Evasion is a crime, a felony, punishable up to 5 years imprisonment and a \$250,000 fine.

When in doubt, check it out! Taxpayers hearing claims from preparers offering larger refunds than other preparers are encouraged to check it out with a trusted tax professional or the IRS before getting involved. For more information or to file a complaint, call the IRS-CI Fraud line at (702) 868-5089.

IRS SPAM E-MAIL MESSAGE SCAM ALERT

The IRS never offers refunds through e-mail or sends out unsolicited e-mails to taxpayers. When the IRS needs to contact a taxpayer, they send notice via U.S. Mail, and every such notice includes a telephone number that the recipient can call for confirmation. Should you need to visit the IRS website for any reason, go there directly (by entering the www.irs.gov URL into your web browser) rather than following links in e-mail messages.

Sample Fraudulent IRS SPAM E-mail Message:

After the last annual calculations of your fiscal activity we have determined that you are eligible to receive a tax refund of \$63.80. Please submit the tax refund request and allow us 6-9 days in order to process it.

A refund can be delayed for a variety of reasons. For example submitting invalid records or applying after the deadline.

To access the form for your tax refund, please click here

Regards,
Internal Revenue Service"

Source: <http://www.snopes.com/fraud/phishing/irs2006.asp>