

Beware of Tax Season Scams

By Shawn Baxter

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With all of the available technologies at hand today, scammers aren't limiting themselves to computer hacking methods to steal individuals' identities — they are now using tactics via phone and email to threaten taxpayers into providing personal and financial information.

The IRS has been receiving new reports of scam artists calling individuals and pretending to be IRS agents seeking information regarding tax returns. These scammers call you, claiming to have your tax return but need to verify some details in order to process the return. They may request personal information (e.g., your Social Security number) or personal financial information (e.g., bank numbers and credit cards).

These telephone scams have been used over the years, but they became even more prevalent in 2014, when the Treasury Inspector General for Tax Administration (TIGTA) reported that it received more than 20,000 scam calls¹. According to TIGTA, since October 2013, there have been roughly 896,000 phone scam contacts reported, and more than 5,000 victims have collectively paid more than \$26.5 million because of such scams. This year alone, the IRS has seen a 400-percent increase in phishing scams².

Scammers call unsuspecting individuals, claiming to represent the IRS. They convince their victims to send cash, usually via a prepaid debit card or wire transfer, and often use threats or intimidation to ensure the individuals they've contacted provide the requested payments. Threats can include the victim being arrested or deported or having his or her license revoked if the money isn't sent.

Scammers can alter caller identification numbers to make it appear as if the IRS is indeed calling. They provide IRS titles and fake badge numbers in order to appear legitimate, and they may use the victim's name, address and other personal information so that the call appears to be official.

There are certain signs to point to a fraudulent IRS call. The IRS will never:

- Call to demand immediate over-the-phone payment or call about taxes without first mailing several bills.
- Call or email you to request personal and financial information.
- Demand that you pay taxes without the chance to first question or appeal the amount owed.
- Require the use of a specific payment method for your taxes (e.g., a prepaid debit card).
- Ask for a credit or debit card number over the phone or through email.
- Threaten to have law enforcement arrest you for not paying.

If you do not owe taxes and receive a call from someone who says he or she is from the IRS, requesting money or verification of your identity, hang up without providing any information. You should report this information to TIGTA on the "[IRS Impersonation Scam Reporting](#)" page and to the Federal Trade Commission by using the online "[FTC Complaint Assistant](#)."

Tax scams don't only happen during tax season — they can occur at any point during the year, so it's always wise to be cognizant of the information you provide as well as to whom you are providing that information. You have fundamental rights as a taxpayer, and those can be accessed on the IRS Web page "[Taxpayer Bill of Rights](#)."

¹ <http://www.bankrate.com/financing/taxes/tax-phone-scam-largest-ever/>

² <https://www.irs.gov/uac/Newsroom/Consumer-Alert-Scammers-Change-Tactics-Once-Again>

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