

AAll Survey: One-Quarter of Readers Received Scam IRS Call This Tax Season

Every tax season there are countless articles about individuals being scammed by fake phone calls or emails that are supposedly from the IRS. To its credit, the Internal Revenue Service devotes a fair amount of resources to educate taxpayers on how to avoid falling victim to tax scams.

One common tax scam this tax season was a robo call outlining supposed issues with the person's tax return. I received such a call from a phone number from Washington, D.C. Since I didn't recognize the number, I let the call go to voicemail. The automated message that was left said:

"Time sensitive and urgent ... we found that there was a fraud and misconduct on your tax which you are hiding from the federal government. This needs to be rectified immediately, so please return the call as soon as you receive the message."

Since I use TurboTax to file my taxes, I felt confident that this was a scam call. A quick Google search confirmed my suspicions.

According to the IRS, these calls are part of a more elaborate tax scam. Scammers file a fake tax return with stolen personal information, such as your Social Security number, and then use actual bank account information to have the refund deposited into your own account. Then they call to collect, posing as the IRS or debt collectors demanding the return of the fraudulent tax refund. In some cases, the caller threatens criminal fraud charges, an arrest warrant, and to "blacklist" the taxpayer's Social Security Number.

According to the IRS, it initiates most contacts through regular mail delivered by the United States Postal Service. However, there may be special circumstances in which the IRS will call or come to a home or business, such as when a taxpayer has an overdue tax bill, to secure a delinquent tax return or a delinquent employment tax payment or to tour a business as part of an audit or during criminal investigations. Even then, taxpayers will generally first receive several notices from the IRS in the mail.

The IRS offers multiple fact sheets at its website to help taxpayers identify potential scams:

- How to know it's really the IRS calling or knocking on your door: www.irs.gov/newsroom/how-to-know-its-really-the-irs-calling-or-knocking-on-your-door-0

- Tax Scams/Consumer Alerts: www.irs.gov/newsroom/tax-scamsconsumer-alerts

The IRS points out that it never calls to demand payment using a specific payment method such as a prepaid debit card or wire transfer. Generally, the IRS will first mail a bill to any taxpayer who owes taxes. In addition, the IRS will not demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe. Nor will the IRS threaten to involve law enforcement for not paying. Also, the IRS cannot revoke your driver's license, business licenses or immigration status, which are common tactics scam artists use to trick victims.

If you feel you are the victim of a tax scam or suspect someone is trying to scam you, the IRS suggests the following:

- Contact the Treasury Inspector General for Tax Administration to report a phone scam. Use their "**IRS Impersonation Scam Reporting**" web page. You can also call 800-366-4484.
- Report phone scams to the Federal Trade Commission. Use the "**FTC Complaint Assistant**" on FTC.gov. Please add "IRS Telephone Scam" in the notes.
- Report an unsolicited email claiming to be from the IRS, or an IRS-related component like the Electronic Federal Tax Payment System, to the IRS at phishing@irs.gov.

AAll Weekly Survey Question

With the current tax season drawing to a close, we were curious to know how many of our readers had received tax scam phone calls that were supposedly from the IRS.

To see how many of our readers trade on margin, our latest weekly survey question asked:

Have you received a phone call this tax season claiming to be from the IRS regarding supposed fraud and misconduct on your federal tax return?

Here are the results:

Have you received a phone call this tax season claiming to be from the IRS regarding supposed fraud and misconduct on your federal tax return? [Note: The IRS never discusses personal tax issues through unsolicited emails, calls or texts or over social media.]

No : 75% - Votes: 1601



Yes : 25% - Votes: 524



In all, 2,125 readers participated in the survey.

While the vast majority of readers *have not* received a tax-scam call this tax season, one-quarter (25%) have. Even if only a fraction of a percentage of those receiving the call fell victim to the fraud, this would undoubtedly be profitable to those perpetuating the fraud.

Weekly Special Question

Unfortunately, scammers are only becoming more sophisticated in their approaches. Each year, millions of dollars are lost to a variety of financial schemes and scams.

To see how our readers protect themselves from being swindled, last week's AAI special survey question asked:

What steps do you take to try and protect yourself from financial fraud and scams?

Overall, we received 372 responses to the question.

By a wide margin, the most common way our readers avoid falling prey to financial fraud and scams is by not answering unknown emails, phone calls or online solicitations (almost 39%).

Other steps our readers take to secure their finances include:

- Frequent checks of financial accounts or using a trusted financial adviser (6%)
- Frequently change passwords for financial accounts, use strong passwords or encrypt their passwords (5%)

- Limit their online exposure (5%)
- Only have financial dealings with recognized or known outlets (4%)

Here is a sampling of the responses readers offered regarding the advantages and disadvantages of trading on margin:

- “[Two-step] account verification. The email type scams that I’ve encountered so far have been easily identifiable as such.”
- “Be vigilant! Do not open unknown emails; do not provide personal info over the phone.”
- “I’m scared, to death almost, about the possibility of this happening. I do not communicate with any financial institute except through an encrypted, secure system.”
- “Be very suspicious of all offers. If I don’t intentionally seek [them] on my own, I am not interested in someone’s else’s hype.”
- “[Bought] a credit monitoring service from USAA, don’t use Facebook, change passwords, don’t use mobile phones for banking, don’t give credit card [information] over the phone, use Paypal.”
- “I frequently check bank statements and financial data, and get bank alerts regarding credit card use. I also frequently check [my] credit score data.”

Everybody has an opinion! Why not give us yours? Participate in our weekly member poll, updated every Monday, and see the results online at www.aaii.com/memberquestion.