

NO, THAT IS NOT THE IRS CALLING

WATCH OUT FOR CROOKS IMPERSONATING IRS AGENTS (AND FINANCIAL INDUSTRY PROFESSIONALS).

Do you know how the Internal Revenue Service contacts taxpayers to resolve a problem? The first step is almost always to send a letter through the U.S. Postal Service to the taxpayer.¹

It is very rare for the IRS to make the first contact through a call or a personal visit. This happens in two circumstances: when taxes are notably delinquent or overdue or when the agency feels an audit or criminal investigation is necessary. Furthermore, the IRS does not send initial requests for taxpayer information via email or social media.¹

Now that you know all of this, you should also know about some of the phone scams being perpetrated by criminals claiming to be the IRS (or representatives of investment firms).

Scam #1: “You owe back taxes. Pay them immediately, or you will be arrested.” Here, someone calls you posing as an IRS agent, claiming that you owe thousands of dollars in federal taxes. If the caller does not reach you in person, a voice mail message conveys the same threat, urging you to call back quickly.¹

Can this terrible (fake) problem be solved? Yes, perhaps with the help of your Social Security number. Or, maybe with some specific information about your checking account, maybe even your online banking password. Or, they may tell you that this will all go away if you wire the money to an account or buy a pre-paid debit card. **These are all efforts to steal your money.**

This is over-the-phone extortion, plain and simple. **The demand for immediate payment gives it away.** The IRS does not call up taxpayers and threaten them with arrest if they cannot pay back taxes by midnight. The preferred method of notification is to send a bill, with instructions to pay the amount owed to the U.S. Treasury (never some third party).¹

Sometimes the phone number on your caller I.D. may appear to be legitimate because more sophisticated crooks have found ways to manipulate caller I.D. systems. Asking for a callback number is not enough. The crook may readily supply you with a number to call, and when you dial it someone may pick up immediately and claim to be a representative of the IRS, but it's likely a co-conspirator – someone else assisting in the scam. For reference, the IRS tax help line for individuals is 1-800-829-1040. Another telltale sign; if you ever call the real IRS, you probably wouldn't speak to a live person so quickly – hold times can be long.¹

Scam #2: “This is a special offer to help seniors manage their investments.” Yes, a special offer to become your investment advisor, made by a total stranger over the phone. Of course, this offer of help is under the condition that you provide your user I.D. and password for your brokerage account or your IRA.²

No matter how polite and sweet the caller seems, this is criminal activity. **Licensed financial services industry professionals do not randomly call senior citizens and ask them for financial account**

information and passwords – unless they want to go to jail or end their careers.

Scam #3: “I made a terrible mistake; you must help me.” In this scam, a caller politely informs you that the U.S. government is issuing supplemental Social Security payments to seniors next year. Do you have a bank account? You could enroll in this program by providing your account information and your Social Security number.

Oh no, wait! The caller now tells you that they've made a huge mistake while inputting your account information – and your account was accidentally credited with a full payment even though you were not enrolled. The distraught caller will now attempt to convince you that they will lose their job unless you send over an amount equal to the lump sum they claim was mistakenly deposited. If you refuse, the caller may have a conversation with a “boss” who demands that money be withdrawn from your account.

Scam #4: “The IRS accidentally gave you a refund.” In this sophisticated double-cross, thieves steal your data, then file a phony federal tax return

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*The end result
of kindness is
that it draws
people to you."*

- ANITA RODDICK

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(continued)

with your information and deposit a false refund in your bank account. Then, they attempt to convince you to pay them the money, claiming they are debt collectors working for the IRS or IRS agents.

Should anyone call and try to trap you with one of these scams, hang up. Next, report the caller ID and/or callback number to the IRS at phishing@irs.gov with the subject line "IRS Phone Scam." You can also notify the Department of the Treasury (treasury.gov) and the Federal Trade Commission (ftccomplaintassistant.gov); list "IRS Telephone Scam" in the notes. Regarding scam #4, if you really do receive an erroneous federal (or state) tax refund, you should notify your tax professional about it as soon as you can and arrange its return. You may also need to close the involved bank account if you sense you have been victimized.^{1,3}

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Citations:

- 1 - irs.gov/newsroom/irs-continues-warning-on-impersonation-scams-reminds-people-to-remain-alert-to-other-scams-schemes-this-summer [5/31/18]
- 2 - money.usnews.com/money/retirement/aging/articles/2018-05-09/10-financial-scams-to-avoid-in-retirement [5/9/18]
- 3 - forbes.com/sites/kellyphillips/2018/02/13/irs-issues-urgent-warning-on-new-tax-refund-scam-and-its-not-what-you-d-expect [2/13/18]

**WISHING YOU AND YOUR FAMILIES A HAPPY THANKSGIVING!
WE WILL BE CLOSING EARLY ON WEDNESDAY, NOVEMBER 21ST
AND CLOSED ON NOVEMBER 22ND AND 23RD
IN OBSERVANCE OF THE THANKSGIVING HOLIDAY.**