



PRESS RELEASE

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With Tax Season Upon Us IRS Criminal Investigators Warn of the Importance of Selecting Reputable Tax Return Preparers

Choosing a “Free Lunch” Preparer Often Leads to Negative Consequences

MINNEAPOLIS – Special Agent in Charge Kelly R. Jackson has seen it time and again in her career with the Internal Revenue Service’s Criminal Investigation Division: the dubious promise of a better tax refund. “If a tax return preparer tells you they can get a larger refund than another preparer, be skeptical” said Jackson, adding “just as there’s no such thing as a ‘free lunch,’ there’s also no such thing as a ‘free refund’ using the same figures—facts are facts.”

As tax season ramps up special agents who enforce criminal tax laws are warning honest taxpayers to be careful. Nationwide the number of return preparers landing in hot water continues to rise, with 233 preparers indicted around the United States last year. For those convicted, about 80% go to federal prison. “Finding, investigating and prosecuting those who prepare false tax returns is a top priority for our agents, but we need taxpayers to do their part by ensuring their returns are accurate” Jackson said. It’s important to note that clients are on the hook for any penalties and interest owed to the IRS as a result of a falsely inflated refund—and these costs can be significant. Jackson said not only do taxpayers end up paying more than they would have had they filed a correct return, but becoming embroiled in a criminal investigation is an experience you want to avoid.

Jackson points to some recent high profile cases in the Twin Cities area as proof of the crackdown on unscrupulous preparers, including Merit Tax Service and Primetime Tax Services, among others. “An important part of our responsibility to the American Taxpayer is ensuring that the U.S. Treasury is not looted by unscrupulous criminals who victimize unsuspecting citizens and the government” said Jackson.

Jackson warns that signing your tax return is akin to placing your stamp of approval to its accuracy, whether prepared by you or someone else—so only sign and mail it after you fully understand and agree with what’s in it. This is made easier if you take care in selecting a reputable return preparer, and among the advice Jackson offers is the following:

- 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 and enters a preparer tax identification number (PTIN) on 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.
- Ask questions. Do you know anyone who has used the tax professional? Were they satisfied with the service they received?
- Finally, don't let someone place false information on your return just to get a larger refund.

Most importantly, make sure you understand where all of the figures and dependents on your return come from and verify they are accurate. Jackson urges everyone filing their tax return to take the time to make sure they know what is on it and understand the implications of filing a false one. "Trust me, having IRS agents knocking on your door to talk to you about your tax return is not a position you want to be in, but it's completely avoidable if you follow a few basic steps in selecting the right return preparer."

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