



IRS

Nationwide

TaxFORUM



# TIGTA & You: Protecting Clients and Taxpayers





# Learning Objectives

- Define TIGTA's role in protecting the integrity of tax administration
- Differentiate between TIGTA's jurisdiction and that of the IRS
- Discuss the various forms of preparer ethics and misconduct
- Discuss the ongoing IRS impersonation scams



# What is TIGTA?

- Provides independent oversight of the IRS
- Protects the integrity of Federal tax administration
- Detects and prevents waste, fraud and abuse
- Has three primary operating divisions:
  - Investigations
  - Audit
  - Inspections and Evaluations



# Office of Investigations

- Identifies and investigates IRS employee misconduct;
- Protects the IRS from external threats and corruption;
- Protects the integrity of IRS programs, operations, and critical infrastructure;
- Detects and prevents fraud, waste and abuse



# Recent TIGTA Audits

- Security of Taxpayer Data
- Identity Theft
- Affordable Care Act





# Recent Inspections and Evaluations

- Taxpayer Assistance Centers
- Offer in Compromise Public Inspection Files



# I.R.C. §6103

- As a part of the Treasury with tax administration duties, TIGTA is bound by Title 26, United States Code Section 6103, the tax information confidentiality law.
- 6103 prohibits the disclosure of tax returns or return information, except as authorized by an exception.



# Ethics and Integrity

## (According to Webster's Dictionary)

- Ethics: A group of moral principles or set of values
- Integrity: An uncompromising adherence to a code of moral, artistic, or other values
- **MEANING:** Always doing the right thing, even if no one is watching.



# Circular 230

- Circular 230, also known as Subtitle A, Part 10 of Title 31 of the CFR
- Sets forth rules under which tax preparers can represent clients before the IRS
- OPR oversees most preparer conduct



# Preparer Misconduct

- False statements on Forms 2848, Power of Attorney and Declaration of Representative
- Failure to disclose that preparer is disbarred or otherwise unauthorized to appear before the IRS



# Preparer Misconduct (cont.)

- Sending e-mails or fabricating documents purporting to be from the IRS
- Improper disclosure of a client's tax information





# Preparer Misconduct (cont.)

## Levy Release 1      Levy Release 2

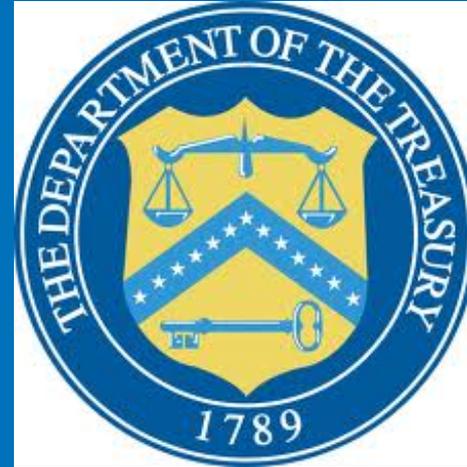
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Form <b>668-D</b> (Rev. December 2001)	Department of the Treasury — Internal Revenue Service <b>Release of Levy/Release of Property from Levy</b>
To General Contractors 5678 Example Way Bigcity, MA 02148	Taxpayer(s) ABC Importers 1234 Sample Street Smalltown, IL 60012  Identifying Number(s) 12-3456789
A notice of levy was served on you and demand was made for the surrender of:	
<input type="checkbox"/> all property, rights to property, money, or credits and bank deposits of the taxpayer(s) named above, except as provided in 6332(c) of the Internal Revenue Code—"Special Rule For Banks." See the back of this form regarding this exception. <input checked="" type="checkbox"/> wages, salary and other income, now owed to or becoming payable to the taxpayer(s) named above.	
The box checked below applies to the levy we served on you.	
<b>Release of Levy</b>	
<input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credits, and bank deposits of the taxpayer(s) named above are released from the levy. <input checked="" type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income now owed to or becoming payable to the taxpayer(s) named above are released from the levy.	
<b>Release of Property from Levy</b>	
<input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credits, and bank deposits greater than \$ _____ are released from the levy. The levy now attaches only to this amount. <input type="checkbox"/> The last payment we received from you was \$ _____ dated _____. The amount the taxpayer still owes is \$ _____. When this amount is paid to the Internal Revenue Service, the levy is released. If you sent us a payment after the last payment date shown, subtract that from the amount you send now. <input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income <input type="checkbox"/> greater than <input type="checkbox"/> less than \$ _____ each _____ now owed to or becoming payable to the taxpayer(s) named above are released from the levy.	
Dated at New Town, NY June 2, 2010	
Signature _____	Telephone Number 202-555-1234 Title Revenue Officer
Part 1—To Addressee	Cat. No. 20450C www.irs.gov Form 668-D (Rev. 12-2001)

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# Preparer Misconduct (cont.)



# Preparer Misconduct (cont.)





# Preparer Misconduct (cont.)

Unauthorized disclosure of protected tax information



# Preparer Misconduct Case

Maria Colvard

- Impersonation and extortion
- Conspired to obtain the property of another tax preparation service through acts of extortion by impersonating an IRS employee.
- On March 3, 2016, Colvard was sentenced to 36 months incarceration, followed by three years of supervised release.



# Preparer Misconduct

- Michael J. Calalang Cabuhat was arrested on charges of wire fraud, aggravated identity theft, and structuring financial transactions.
- Directed refunds into his own account.
- Had client's submit tax payments directly to him. He would then keep the payment and deposit the payment into his own account.
- Cabuhut used this scheme obtain or attempt to obtain more than \$1.2 million in tax refunds that should have gone to 144 clients.
- He also structured cash deposits and used the funds to purchase a Ferrari.



# IRS Impersonation Scam

- Largest ever phone scam
- Calls received by taxpayers in every state
- Callers claim taxpayers owe taxes and must pay immediately
- Callers are aggressive and threatening





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# IRS Impersonation Scam

TIGTA Video Placeholder



# Traits of Scam Callers

- May know the information about the intended victim Digits of SSN, address, banking information
- Spoof caller ID information to appear as if calling from the IRS
- Demand payment using a prepaid money card, including Green Dot, and iTunes
- MoneyGram, Western Union or wire transfers



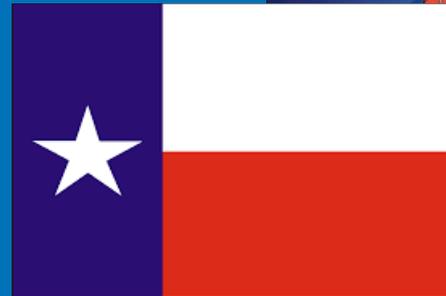
# Traits of Scam Callers, cont.

- May send bogus IRS e-mails to legitimize the scam
- Subsequent calls claiming to be the police, DMV, or other IRS function to verify initial debt claims and confirm threatened legal action



# States Hardest Hit by Phone Scams

- California
- New York
- Texas
- Florida
- Maryland





# IRS Impersonation Subject

- Caller claimed he was from the IRS and threatened the victims that if they did not pay the IRS debt, the police would come and arrest or deport the victim
- The victims paid the money
- The subject was arrested, pleaded guilty and was sentenced to 14 ½ years in prison, followed by 3 years of supervised release, and forfeited \$1 million.



# Other Impersonation Schemes

- Advance Fee “LOTTERY WINNING” Scams
- False IRS websites
- Hyperlink on spam e-mail
- Phishing



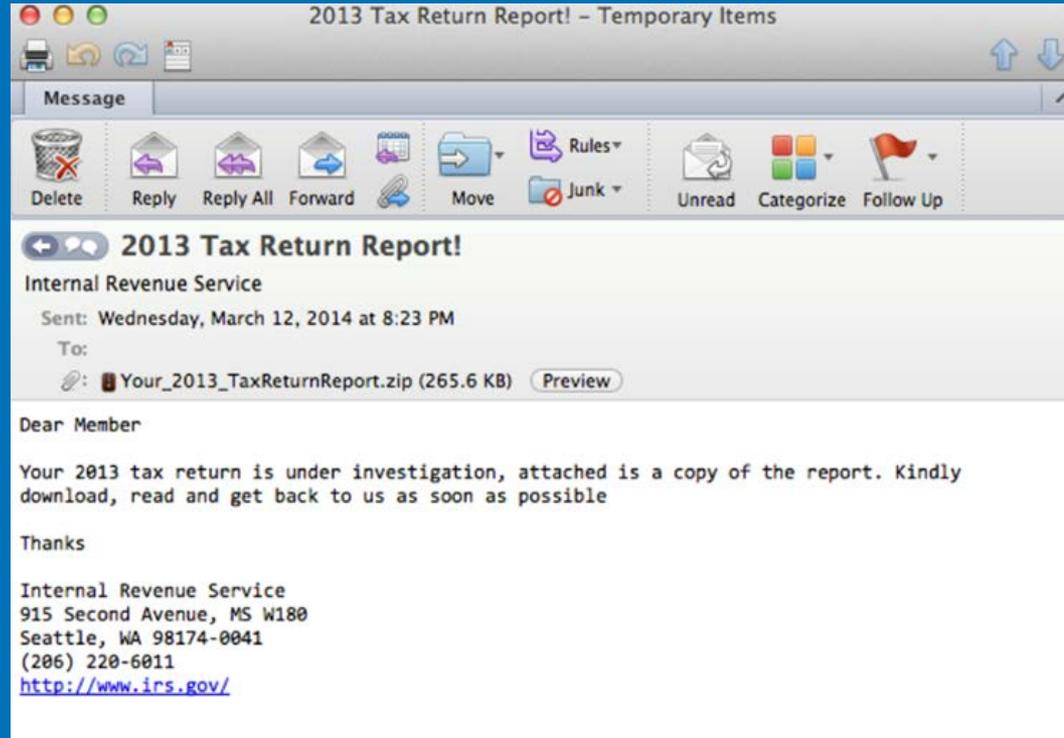


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# Official IRS E-mail?



# Suspicious E-Mails

1. Forward the suspect e-mail to **phishing@irs.gov**
2. Delete it from your computer
3. **DO NOT** reply, open any attachments, or click on any links



# Victims of IRS Impersonation (Phone or E-mail Scams)

- Call the IRS at 800-829-1040 (*if victim knows or thinks taxes are owed*)
- Call the TIGTA Hotline at 800-366-4484 (*if victim knows no taxes are owed*)
- Contact bank if financial information given to scammer





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# Reporting Scam Calls

**TIGTA**  
Treasury Inspector General  
for Tax Administration  
*Promoting integrity in the administration of Internal Revenue laws*

Hotline  
Important Notices  
Recovery Act  
Treasury | IRS

Home About TIGTA Audit Investigations Inspections & Evaluations Publications Careers [Contact](#)

**SCAM ALERT** **TAXPAYERS:** Beware of IRS Impersonators! Don't become a victim this filing season... [read more](#).  
If you believe you have been a victim of an IRS Impersonation Scam, [contact us](#).

Main  
 ▶ **IRS Impersonation Scam Reporting**  
 Report Fraud, Waste, & Abuse  
 FAR Contractor Reporting  
 Whistleblower Retaliation Reporting

Subscribe to Email Updates  
 Enter Email Address

**IRS Impersonation Scam Reporting**

If you believe you have been a victim of an IRS Impersonation Scam, please fill out the form below.

**What kinds of things should you report?**

Please read the press release describing IRS Impersonation Scams.

ONLINE FORM

Information regarding the IRS Impersonation Scam(s) you wish to report:

Date of Incident:

Did you suffer a financial loss?  Yes  No

If **Yes**, enter amount: \$

How did you pay the impersonator?

If **Other**, enter method:

Did you provide the impersonator with any personal or sensitive information?  Yes  No

**IRS Impersonation Scam Reporting**

**Report Fraud, Waste, & Abuse**



# How Can You Protect Federal Tax Administration?

- Report instances of tax preparer or IRS employee misconduct
- Report allegations of potential risks to IRS employee safety
- Warn taxpayers about phone scams



# How to Contact TIGTA

- E-mail us: [Complaints@tigta.treas.gov](mailto:Complaints@tigta.treas.gov)
- Call us: 1-800-366-4484





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# QUESTIONS?