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2017



TIGTA: Helping You and Your Clients Steer Clear of the Latest Frauds and Swindles



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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



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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



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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 waste, fraud, and abuse



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Recent TIGTA Audits

- Security of Taxpayer Data
- Identity Theft
- International Tax Compliance



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Recent Inspections and Evaluations

- Strategy to Effectively Address Egregious Employment Tax Crimes
- Taxpayer Assistance Centers (TAC)
- Offer in Compromise Public Inspection Files



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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.
- Section 6103 prohibits the disclosure of tax returns or return information, except as authorized by an exception contained in the statute or as made public record in a tax administration proceeding.



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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



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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
- IRS Office of Preparer Responsibility (OPR) oversees most preparer conduct



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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



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Preparer Misconduct (cont.)

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



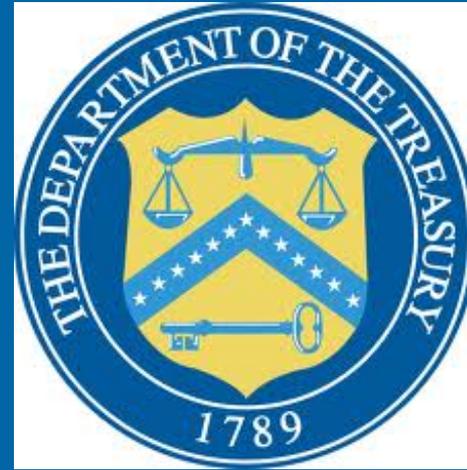
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Preparer Misconduct (cont.)





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Preparer Misconduct (cont.)

Unauthorized disclosure of protected tax information





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Preparer Misconduct Case

Preparer Misconduct #1

- False tax returns and retaliation against Government officials
- Conspired to obstruct the IRS revenue officer
- Filed retaliatory liens against IRS employees and DOJ attorneys on account of their official duties
- Sentenced April 26, 2017 to 10 years in prison and ordered to pay restitution of more than \$9.5 million



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Preparer Misconduct

Preparer Misconduct # 2

- Sentenced to 43 months in prison for corruptly endeavoring to impede the IRS and tax evasion
- Nearly 40 years in tax business with 12 years as an IRS revenue officer and 11 years as an enrolled agent
- Filed at least 120 false Forms 2848 claiming to be enrolled agent after the IRS revoked his status as such
- Applied for PTIN with stolen SSN and filed over 900 returns with this PTIN
- Failed to pay his own taxes and impeded IRS's efforts to collect - ordered to pay restitution of \$573,422.74 to IRS



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Preparer Misconduct

Preparer Misconduct # 3

- Indicted in scheme to defraud and to misappropriate his clients' monies
- Falsely told clients they had IRS liabilities and had clients submit payments directly to him
- Altered payee name and deposited checks totaling at least \$61,000 into his own account instead of sending to IRS
- When confronted by clients, presented fraudulent documents purported to be from the IRS in an effort to conceal his scheme.
- Submitted false returns fraudulently claiming \$383,773.



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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

IRS Impersonation Scam

- English



05_Fraud_is_real_english.mp4

Spanish



03_ElFraude_spanish.mp4



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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



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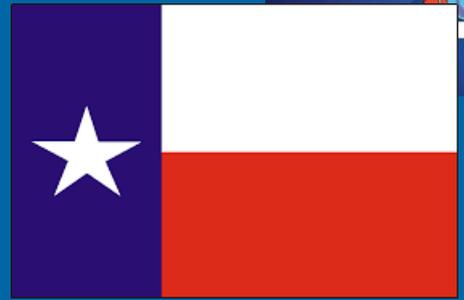
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Traits of Scam Callers, cont.

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

States Hardest Hit by Phone Scams

- California
- New York
- Texas
- Illinois
- Florida





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IRS Impersonation Scam Indictments

- October 2016 – 56 individuals and five Indian call centers indicted in the Southern District of Texas
- A number of the defendants were arrested in U.S.
- Scams included the impersonation of IRS officers and the impersonation of U.S. Citizen and Immigration Services (USCIS) officers
- Over 15,000 victims with losses of approximately \$272 million. Approximately 50,000 whose identities were misappropriated for use in the scam



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IRS Impersonation Scam Indictments

- Five suspects arrested in Miami, Florida on May 23, 2016
- Eight more associated with the conspiracy arrested in the Miami area on April 25, 2017
- Responsible for almost \$8.8 million in schemes that defrauded more than 7,000 victims



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Other Impersonation Schemes

Advance Fee “LOTTERY WINNING” Scams

- Willie Montgomery sentenced in a telemarketing scheme intended to target victims over the age of 55
- Victims were told they had won prizes but must send payment for taxes and other fees before receiving winnings
- Scam claimed at least 66 victims in 22 different states
- Montgomery and coconspirators obtained over \$1.1 million
- Sentenced to 88 months’ imprisonment and full restitution



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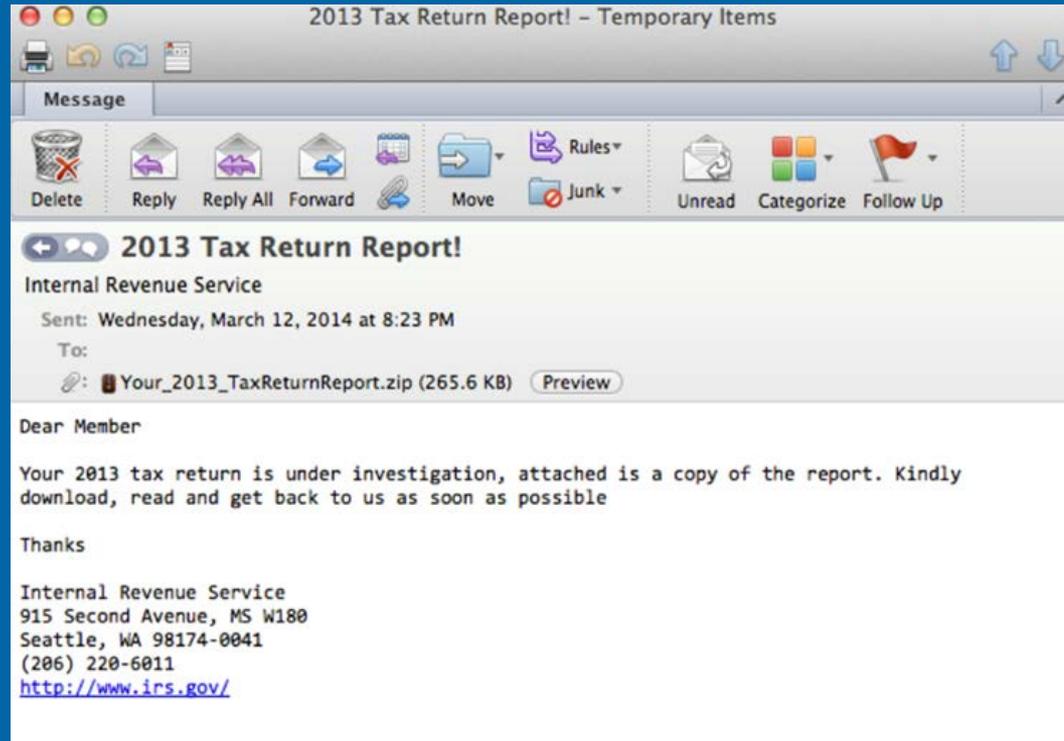
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Other Impersonation Schemes

- False IRS websites
- Hyperlink on spam e-mail
- Phishing



Official IRS E-mail?





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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



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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

The screenshot shows the TIGTA (Treasury Inspector General for Tax Administration) website's reporting page for IRS Impersonation Scams. The page includes a navigation menu, a warning banner for taxpayers, and a reporting form with various input fields and radio buttons.

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

CSAM 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: MM/DD/YYYY

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



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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



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How to Contact TIGTA

- E-mail us: Complaints@tigta.treas.gov
- Call us: 1-800-366-4484



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QUESTIONS?