

## **Quality Site Requirement Alert (QSRA) 2012- 08**

### **QSR #10 Security, Privacy & Confidentiality**

#### **Alert: Possible Tax Scams**

**March 20, 2012**

**Concern:** Some taxpayers who may be potential victims of a possible tax scam may visit your VITA/TCE site.

**Incident 1:** A VITA site coordinator in the Chicago area advised SPEC of a potential tax refund or identity theft scheme. It appears some unknown individuals are giving preprinted tax returns to people in homeless shelters. The preprinted tax return is already completed with bogus income and income tax withholdings when the tax return is presented to the homeless individual. The homeless person is asked to add his/her name and social security number to the form and return it to the unknown individual for filing. Some of these taxpayers came into VITA sites with the bogus tax returns. After learning the taxpayer did not work or receive income, he/she was advised the return could not be filed.

**Incident 2:** A tax return prepared in a VITA site in New York was rejected by the IRS because a dependent, the taxpayer's daughter, social security number was used on another return as a primary or secondary taxpayer. The taxpayer's daughter called a phone number to have her taxes done and to get money, even though she had no income. The daughter was told she would receive a refund of \$400. Later she was told her refund would be \$200 because less funds were available. She received the money on a debit card.

**What should you do?** Although the possible scams occurred outside of the VITA/TCE program, some potential victims may visit your sites. Please continue to follow established procedures to ensure a complete and accurate tax return is prepared. You should also:

- Be on alert for preprinted tax returns not supported by valid W2s and/or 1099s.
- Stay vigilant and follow VITA/TCE established guidelines to verify each taxpayer's identity.

Notify your Site Coordinator or IRS Relationship Manager when you suspect a taxpayer is a potential victim of a possible tax scam; or report the incident to the IRS at <http://www.irs.gov/individuals/article/0,,id=106778,00.html>

**Thank you for volunteering to serve your community and for your dedication in providing**

**Top Quality Service!**