CPA

Practice **Advisor**

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payment through a prepaid debit card. This scam is being reported across the country, so ...

Jun. 15, 2017



The IRS is warning people to beware of a new scam linked to the Electronic Federal Tax Payment System (EFTPS), where fraudsters call to demand an immediate tax payment through a prepaid debit card. This scam is being reported across the country, so taxpayers should be alert to the details.

In the latest twist, the scammer claims to be from the IRS and tells the victim about two certified letters purportedly sent to the taxpayer in the mail but returned as

undeliverable. The scam artist then threatens arrest if a payment is not made

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phone call."

EFTPS is an automated system for paying federal taxes electronically using the Internet or by phone using the EFTPS Voice Response System. EFTPS is offered free by the U.S. Department of Treasury and does not require the purchase of a prepaid debit card. Since EFTPS is an automated system, taxpayers won't receive a call from the IRS. In addition, taxpayers have several options for paying a real tax bill and are not required to use a specific one.

Tell Tale Signs of a Scam:

The IRS (and its authorized private collection agencies) will never:

- Call to demand immediate payment using a specific payment method such as a
 prepaid debit card, gift card or wire transfer. The IRS does not use these methods
 for tax payments. Generally, the IRS will first mail a bill to any taxpayer who owes
 taxes. All tax payments should only be made payable to the U.S. Treasury and
 checks should never be made payable to third parties.
- Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying.
- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

For anyone who doesn't owe taxes and has no reason to think they do:

- Do not give out any information. Hang up immediately.
- Contact the Treasury Inspector General for Tax Administration to report the call. Use their IRS Impersonation Scam Reporting web page. Alternatively, call 800-366-4484.

• Report it to the Federal Trade Commission. Use the FTC Complaint Assistant on

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issues, such as those involving bills or refunds. For more information, visit the "Tax Scams and Consumer Alerts" page on IRS.gov. Additional information about tax scams is available on IRS social media sites, including YouTube videos.

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