



What is the IRS doing to crack down on massive fraud?

By Jeff Barnd

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With just days before the tax filing deadline, taxpayers are getting headaches balancing their books, accountants are crunching numbers and con artists are working overtime. Their hard work seems to be paying off.

This time of year, the 76,000 page U.S. tax code is put to work; and the refunds are already pouring in.

But, thousands of these IRS refund checks are going to crooks.

Dan Mitchell is a tax analyst from the Cato Institute. "The problem is that criminals have figured out ways to get access to social security numbers and that's really all you need as the first step."

Your social security number is the holy-grail for any scammer. Here's how one scheme works. Crooks use social security numbers of people who have yet to file their taxes.

But when the honest taxpayer files, the IRS realizes the refund check is in a crook's pocket.

"Perhaps when dealing with all the fraud they should do a few things like wait until April 15th before sending out checks," says Mitchell. "Because usually the fraud exists because somebody uses a real person's social security number."

Tim Camus is the Treasury Department's Deputy Inspector General for Tax Administration. He says more than 400 thousand bogus calls have been made nationwide. "What we've seen in this particular scam is the introduction of intimidating robo-calls."

Camus says calls like this have fooled roughly 33-hundred people nationwide. Victims collectively paid out \$17,000,000 as a result. That's an average of \$5000 per victim.

"Each week, we get between 9000 and 12,000 new reports that someone's been contacted by impersonators of the IRS," Camus says.

Even Camus got a robo-call; one that was direct and threatening. “The robo-caller told me ‘this is the IRS. You owe \$750. You need to pay it immediately or a magistrate will come and arrest you.’”

Obviously, they called the wrong person.

But as hard as the scammers work, the numbers don’t lie. At times, crooks indeed connect with the right person.