



See Suspicious Tax Prep Practices? Let Us Know

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MADISON – Vacations. Credit card payments. New furniture. Savings. Long before tax season arrives, many taxpayers plan how they intend to use their annual refund – but even the best laid plans can be thwarted by a bad actor looking to claim a taxpayer’s return as his own.

One good way consumers can protect themselves from losing a refund or becoming the victim of tax identity theft is to watch out for questionable tax preparation practices. Report any suspicious behavior to the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP).

“The vast majority of Wisconsin tax preparation businesses provide a vital service in helping consumer file their taxes accurately and on time,” said Frank Frassetto, Division Administrator for Trade and Consumer Protection. “But like any other industry that involves large amounts of money or personal information, the tax prep business can attract the attention of fraudsters looking to find a way to steal your return or sensitive information.”

Typical tax and loan scams involve businesses filing returns on behalf of consumers without their consent (commonly referred to as “tax identity theft”). In other cases, fraudsters may solicit consumers with a promise of providing short-term loans, get them to sign a blank tax form, and then pocket exorbitant fees or steal the refund from the tax returns they file in the consumer’s name.

The Wisconsin Department of Revenue asks tax filers to allow at least two to three weeks of processing time as it leverages identity verification tools to ensure that refunds are not going to an individual who has stolen someone else’s identity.

Here are some tips to avoid becoming the victim of tax preparation fraud:

- Be alert to short-term loan promotions that can be used to gain the personal financial information needed to file an individual’s tax return.
- Be careful providing personal financial information to a business unless you want the preparer to file your taxes. Make sure you provide clear direction and that the company specifically advises you on whether they intend to file your tax return.
- Never sign an authorization permitting a company to file your taxes if you do not want the company to do so.
- Never sign a document without first reading and understanding what it says.
- Always insist upon receiving copies of all documents that you are required to sign or that identify the terms of a transaction and the charges you will be required to pay. Confirm, before signing, that you will receive copies. If a business does not agree to provide copies, don’t sign.

DATCP works with the Wisconsin Departments of Justice and Revenue to detect tax preparation fraud. Anyone suspecting fraudulent activity is encouraged to file a complaint with DATCP. Complaints can be filed online through the DATCP website (<http://datcp.wi.gov>) or a complaint form can be requested by calling the state’s Consumer Protection Hotline at 1-800-422-7128.

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