



District Attorney's Office • 18th Judicial District

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Fraud Alert

Warning: New IRS Refund Scam is Gaining Traction

There is a new IRS scam that's spreading and is playing off of the more widely known tax imposter phone scam that claims money is owed to the IRS. This newly hatched, very intricate scam involves criminals who are processing and sending tax refunds directly to consumers and then calling and scaring them into returning the funds. Prior to late January when the IRS began accepting 2017 tax returns, criminals brazenly infected the computers of tax preparers and stole tax information on clients. Now they are using this data to process actual tax refunds. Once the refunds are sent, the crooks will call, text, or leave phone messages claiming to be agents or debt collectors from the IRS, and threatening victims with scare tactics if they don't send their 'fraudulent' refunds back. There are obvious *red flags* with this scam, the most notable being that crooks are demanding payment using a wire service, or are instructing their victims to load a pre-paid card with money, then calling in a code, *instead of instructing them to send the refund directly to the IRS*. This tactic of requesting funds through round-about means is the hallmark of a typical phone scam. The second red flag is that the IRS won't call you, even if you owe them. If your caller ID shows up as "IRS", or "U.S. Department of Treasury", it's a scam, and don't respond. Although the IRS won't call you, crooks will try to make it look that way by "spoofing" the information that appears on your Caller ID.

Steps to take if you are concerned, or have already received a refund:

- Immediately contact your tax preparer if he/she has not notified you of this scam, especially if you've already received a refund, or a refund you weren't expecting. Usual turnaround time on a refund request is ten days, so any quick return of a refund should be questioned.
- In truth, fraudulent refunds must immediately be sent back to the IRS so they can take measures to correct and restore the client's account to good standing, then process an appropriate refund. If you received a mailed refund check, void it and send it back to the IRS, along with a copy of the return and explanation as to why the check is being returned. If the check was automatically deposited, call the IRS to explain what happened (800-829-1040 for individuals or 800-829-4933 for businesses), then notify your bank so they can return the money. Finally, if you've already spent part or all the refund, you will need to write a check to repay the IRS. Send your check to your local IRS service center, along with a note explaining you were a victim of this scam. Make certain you have the correct IRS return address. Your tax preparer will have this information and should be able to guide you through these steps. For more information on this scam, contact the IRS at:

<https://www.irs.gov/newsroom/tax-scams-consumer-alerts>

18th Judicial Consumer Protection Line: 720-874-8547