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For Immediate Release

Common Ways Scammers Steal Your Tax Refund

The first sign your tax preparer is questionable often starts with taking a piece of your tax refund.

Sacramento, CA (February 22, 2024) — Did you know tax preparers are not allowed to take a percentage of your tax refund as compensation? Or that an advertisement promising guaranteed tax refunds is a red flag for fraud?

“How can anyone know you’re getting a refund until after they’ve looked at your paperwork? It’s simple. They can’t,” said Lester Crawford, chair of the [California Tax Education Council \(CTEC\)](#), a state-mandated nonprofit organization that manages the registration of more than 40,000 tax preparers.

“The key to staying out of trouble with the IRS and getting the so-called ‘biggest refund’ is all about how educated tax preparers are on current tax laws,” Crawford said.

It is one of the reasons why California requires tax preparers to be licensed or registered. State law requires anyone who prepares tax returns for a fee must be either an [attorney](#), [certified public accountant \(CPA\)](#), [CTEC-registered tax preparer \(CRTP\)](#) or [enrolled agent \(EA\)](#).

Despite state requirements, there are still those the IRS calls ‘ghost’ tax preparers who continually steal tax refunds from unsuspecting taxpayers.

“They’re the hardest to track down because they never stay in one place. They just take the money and vanish,” said Fernando Angell, CRTP and CTEC board member. “I can’t tell you how many times I’ve heard a story or helped a victim who’s had this happen to them.”

Below are the top three facts taxpayers should know about tax refunds...

- The tax refund should always go directly to you. Avoid tax preparers who claim refunds must go directly to their bank, not yours.
- The fee should be based on the complexity of your tax return, not the amount of your tax refund.
- Never trust a tax preparer who promises “bigger” tax refunds than competitors or guarantees a tax refund before reviewing your information. Tax law is tax law. A good tax preparer will only guarantee you pay the least amount owed or get the biggest refund based on current tax laws.

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers. Taxpayers can report unregistered tax preparers at [ctec.org](#) or visit [taxpayerbeware.org](#) for tips, also in Spanish at [contribuyentecudese.org](#).

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