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For Immediate Release

Top Three Ways Scammers Steal Your Tax Refund

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

Sacramento, CA (March 23, 2023) — 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 who the IRS calls ‘ghost’ tax preparers stealing 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. Never to the tax preparer.
- 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.

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 more tips.

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