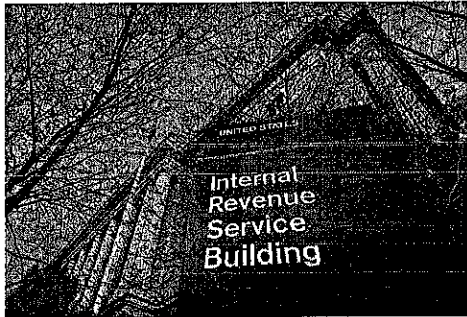


Tax Impostor Scam Worse Than Ever, Congress Holds Hearing - NBC News

Article by NBCNews



Tax Day (April 15) is the perfect day for Congress to hold a hearing into what's being described as "the largest and most pervasive" impersonation scam in the history of the IRS.

Criminals are calling Americans all across the country, posing as IRS agents. The scammers claim they owe back taxes and demand immediate payment or face arrest. Sometimes, they threaten deportation.

Millions have received the calls; thousands have already become victims.

The Federal Trade Commission (FTC) received nearly 55,000 complaints about IRS impostor scams last year, a 25-fold increase from the 2,185 complaints filed in 2013. The FTC will tell lawmakers Wednesday that the IRS impostor scam was the single largest type of complaint it received last year.

And the numbers continue to grow with no end in sight.

The Senate Special Committee on Aging, chaired by Sen. Susan Collins (R-Maine), wants to find out what law enforcement can do to stop these phone bandits.

"This outrageous fraud is now much larger than even the numbers are telling us," said Sen. Claire McCaskill (D-Missouri), the ranking member on the committee.

Staggering numbers

Those numbers are staggering.

In the last two years, more than 400,000 people have filed complaints with the U.S. Treasury Department about these IRS imposters. More than 3,000 people have been defrauded out of a combined total of more than \$15 million, McCaskill told NBC News.

"This outrageous fraud is now much larger than even the numbers are telling us."

The calls keep going out - more than 10,000 a week, according to the Treasury Inspector General for Tax Administration (TIGTA).

Seniors are often targeted for these calls, because they're home, they'll answer the phone and they often have the money to pay the scammers.

"But this is not limited to seniors.

Anyone can be a victim," noted John Breyault, who runs the National Consumers League's Fraud.org website.

"They're very good at what they do - steal people's money."

Why is it working?

The IRS imposter scam is not an especially sophisticated con, but people keep falling for it. Doug Shadel, a fraud prevention expert with AARP's Fraud Watch Network, says it works because the crooks use fear tactics to get the response they want.

"They're threatening to arrest you, if you don't pay on the spot. Even if you don't feel that you owe the money, many will pay out of fear in order to avoid the possibility that something bad is going to happen," he explained.

Shadel got one of these calls a few weeks ago. He provided NBC News with a transcript of the message the IRS imposters left him.

Hi, this is Officer John White. We are calling you from criminal investigation department of IRS. The reason you are getting a phone call from the department is to inform you that IRS has got the arrest warrant out for you and your physical address is under federal investigation. So call me back on

my department number to get the detailed information about your case. My call back number is 254-449-XXXX. I repeat, it is 254-449-XXXX. It's very important to hear from you today."

Shadel called the number to see what the scammers would say. He was told the he owed \$2,700 in back taxes, that his call was being monitored and recorded by Homeland Security, and that if he didn't agree to pay immediately, a warrant for his arrest would be signed.

"If I had not known this was a scam, I would have been terrified," Shadel said.

What can be done?

Can anything be done?

Imposter scams of all kinds have been on the rise lately. Scammers have found it to be a fairly simple way to make a lot of money. And they will continue to do this as long as it remains lucrative, fraud experts say.

Read More: [These 'Imposter' Scams Are No April Fools' Joke](#)

Because many of these scams originate from outside the country, including the IRS imposter scam, it's difficult for law enforcement to go after the crooks. For that reason, Sen. McCaskill believes consumer education may be the best and quickest way to beat the bad guys.

The IRS says it's easy to tell when a call is bogus, if you know the rules. Here are five things the IRS will never do:

- Call to demand immediate payment, nor will it call about taxes owed without first having mailed you a bill.
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
- Require you to use a specific payment method for your taxes, such as a prepaid debit card.
- Ask for credit or debit card numbers over the phone.

- Threaten to bring in local police or other law-enforcement groups to have you arrested for not paying.

Get a call from someone who claims to be with the IRS and you're not sure what to do? Hang up - and contact the IRS at 800-829-1040.

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