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### Does The Real IRS 'Dirty Dozen' Include Their Own Targeting, Rogue Agents, Lost Emails And More?

Every year, the IRS warns taxpayers about scams. Don't believe them, says the IRS! Not believing scams may cause a few people to think about the IRS targeting, the rogue agents in Cincinnati, the lost IRS emails, and the smidgens of arrogance that appear to be OK. Still, the [IRS Released the "Dirty Dozen" Tax Scams for 2014](#), which included these:

1. **Identity Theft.** Identity theft occurs when someone uses your personal information, such as your name, Social Security number (SSN) or other identifying information without your permission to commit fraud or other crimes. The IRS has a [special section](#) on IRS.gov dedicated to identity theft issues. Taxpayers can call the IRS Identity Protection Specialized Unit at 800-908-4490.
2. **Telephone Scams.** The IRS has seen an uptick in phone scams. Callers pretend to be from the IRS to steal money or identities from victims. Report it to the Treasury Inspector General for Tax Administration at 800-366-4484.



*Internal Revenue Service office in midtown New York. (Photo credit: Wikipedia)*

3. **Phishing.** Phishing is unsolicited email or a fake website to lure potential victims and prompt them to provide personal and financial information. If you receive an unsolicited email that appears to be from the IRS or an organization closely linked to the IRS, such as the Electronic Federal Tax Payment System (EFTPS), report it by sending it to [phishing@irs.gov](mailto:phishing@irs.gov).

4. **Inflated Refunds.** Scam artists routinely pose as tax preparers, promising large tax refunds or refunds that people never dreamed of. Remember, you are legally responsible for what's on your return.

5. **Return Preparer Fraud.** About 60 percent of taxpayers use tax professionals to prepare their returns. Most return preparers are honest, but some are unscrupulous. Choose carefully. For tips, see IRS [Fact Sheet 2014-5](#).

6. **Hiding Income Offshore.** With new foreign account reporting requirements, hiding income offshore is increasingly difficult. The IRS has two good amnesty programs, and ignoring the issues isn't smart.

7. **Fake Charities.** Some scammers operating bogus charities use telephone or email after disasters to solicit money or financial information. Call the IRS toll-free disaster assistance telephone number (866-562-5227) if you are a disaster victim with specific questions about tax relief or disaster related tax issues.

8. **False Income, Expenses or Exemptions.** Another scam involves inflating or including income on a tax return that was never earned, either as wages or as self-employment income to maximize refundable credits.

9. **Frivolous Arguments.** Promoters of frivolous schemes encourage taxpayers to make outlandish claims to avoid paying the taxes they owe. The IRS has a list of frivolous tax arguments. Taxpayers who rely on them may even face criminal prosecution. Remember Wesley Snipes?

10. **False Zero Wages or Forms 1099.** Don't fall prey to people who encourage you to claim excess deductions or credits or file false returns. If you are a party to such schemes, you could even face criminal prosecution.

11. **Abusive Tax Structures.** What is abusive? Don't buy into any arrangements that promise to "eliminate" or "substantially reduce" your tax liability. The IRS encourages taxpayers to report unlawful tax evasion. [Where Do You Report Suspected Tax Fraud Activity?](#)

12. **Misusing Trusts.** There are legitimate uses of trusts in tax and estate planning, but avoid transactions that promise reduced taxable income, inflated deductions for personal expenses, reduction or elimination of self-employment taxes, and reduced estate or gift taxes.

More scams? It is a little harder to take this list seriously in light of the IRS's own conduct. Take Lois Lerner, the IRS official at the center of the targeting scandal. She is retired on a government pension, but conceivably could still face prosecution. Ms. Lerner allegedly flagged tax-exemption applications of conservative organizations.

But when the whole mess came to light, she refused to testify and was held in [contempt of Congress](#). After making a statement in which she said she had done nothing wrong, Lerner invoked her constitutional right against self-incrimination. If prosecuted and convicted—which seems unlikely—she could conceivably get 11 years.

The IRS has admitted that many of Lois Lerner's emails are missing. No one knows how many. But the lateness of the notice—a year into the investigation—and the fact that the missing emails were mainly to and from people outside the IRS, seems odd. And then we learned that [Lerner Switched To Texts, Which Aren't Kept....'Perfect'](#).

It's just a little hard to swallow, no matter how much you want to give them all the benefit of the doubt. As the investigation trundles on, it may begin to sound as if the grassy knoll of emails will remain shrouded. It is one more black eye for the IRS, an important agency that has had too many.

More than anything, taxpayers want to feel secure that they will be dealt with fairly by the IRS. The tax system is full of special rules, and one taxpayer may be treated very differently from another seemingly in the same position. Don't confuse this with fundamental *procedural* fairness and non-discrimination.

On the whole, the IRS does a good job of administering our horribly unwieldy tax laws. If you are not being dealt with fairly and respectfully, complain, ask for a manager or go to the IRS Taxpayer Advocate's Office. The IRS tries to police its employees, and does a better job than recent stories suggest.

Some are even fired. See [IRS Non-Retaliation Policy](#). That's one reason much of the recent back story at the top is hard to believe. Unreasonable or abusive requests may happen, and you need to speak up.

And speaking of those lost emails, perhaps the IRS will be a little more forgiving now when a taxpayer doesn't have receipts?

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