



Contact: Gigi Jones | gjones@ctec.org | 916.296.6913

California Warns Against “Ghost” Tax Preparers

Paid tax preparers who don't sign tax returns are one of the biggest threats to taxpayers

Sacramento, CA (February 7, 2017)— It is a problem that happens every tax season. Ghost tax preparers. Who are they? They charge a fee to do taxes, but they never sign client tax returns.

“The problem with ghost tax preparers is they are almost impossible to track down because they leave no trace of existence after tax season,” 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 unlicensed tax preparers.

Unlike most states, California has set standards for paid tax preparers. California law requires anyone who prepares tax returns for a fee to be either an [attorney](#), [certified public accountant \(CPA\)](#), [CTEC-registered tax preparer \(CRTP\)](#) or [enrolled agent \(EA\)](#). Each professional must pass an initial test and follow educational requirements.

Tax preparers are also required to sign client tax returns and provide a [Preparer Tax Identification Number \(PTIN\)](#) from the [Internal Revenue Service](#) on all federal tax returns they prepare for a fee.

Yet despite state and federal requirements, there are still countless ghost tax preparers who are defrauding taxpayers.

“Enforcement teams have very little information to go on right now. All of us in the industry know ghost tax preparers are a problem. It's how big of a problem that no one really knows,” said Esperanza Escobedo, CRTP and CTEC board member.

“It is vital that people report ghost tax preparers so state enforcement teams can put them out of business,” Crawford said.

Tax preparers are a “ghost” if they...

- List “self prepared” on the tax return instead of signing it with their individual name.
- List the business name or business address on the tax return instead of their individual name.
- Claim they “forgot” to sign the tax return and “promise” to sign it after you've paid them a fee to prepare the tax return.

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 ghost tax preparers at ctec.org or visit reporttaxpreparerfraud.org for more tips.

-END-