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## “Ghost Tax Preparers” Continue to Victimize Taxpayers

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

**Sacramento, CA (February 12, 2018)**— It is a problem that continues to haunt federal and state enforcement teams every tax season. Tax preparers who set up a storefront during tax season, serve countless taxpayers and disappear right after the tax deadline.

“Enforcement teams have very little information to go on because the paper trail is so weak. They never sign the tax returns or stay in one place. They are definitely masters of the disappearing act,” 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.

Tax preparers are required by law to sign (typed or handwritten) federal and state tax returns they prepare for a fee.

California is one of the few states to set standards for professional tax preparers. State 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 who do business without a legal designation may face penalties up to \$5,000 from the [California Franchise Tax Board \(FTB\)](#).

In addition to California requirements, tax preparers are required by the [Internal Revenue Service](#) to provide a [Preparer Tax Identification Number \(PTIN\)](#) on all federal tax returns they prepare for a fee.

“I think people get scared about reporting tax preparers because they feel like they’ll get in trouble or are just embarrassed they got taken for a ride,” said Esperanza Escobedo, CRTP and CTEC board member. “But enforcement teams rely on reports from taxpayers.”

Beware of tax preparers that...

- List “self prepared” on the tax return instead of signing it with their individual name.
- Stick a business label on the tax return instead of signing it by name. Clients get the “label” copy so it looks as though they signed it; however, a blank copy without a business label is often filed.
- Claim they “forgot” to sign the tax return and promise to sign it after you’ve paid them.

Taxpayers can report tax preparers at [ctec.org](http://ctec.org) or visit [reporttaxpreparerfraud.org](http://reporttaxpreparerfraud.org) for more tips. CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers.

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