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## Top Three Ways Scammers Steal Your Tax Refund

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

Sacramento, CA (March 14, 2017)— Did you know tax preparers are not allowed to take a percentage of your tax refund as compensation? Nor can they base their fee on the amount of your tax refund. And you should never trust advertisements that “guarantee” tax refunds before reviewing your paperwork.

“How can anyone know if you’re entitled to a tax refund until 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 unlicensed tax preparers.

“The key to staying out of trouble with the IRS and getting the so-called ‘biggest refund’ is all about how much the tax preparer knows about tax laws,” Crawford said.

It is one of the reasons why California requires tax preparers to be licensed or registered.

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 \(EA\)](#). Each professional must pass an initial test and follow educational requirements.

Yet despite state requirements, there are still countless “ghost” tax preparers who are stealing tax refunds from unsuspecting taxpayers.

“Ghost tax preparers the hardest to track down because they don’t sign client tax returns. They just take the money and vanish,” said Esperanza Escobedo, CRTP and CTEC board member.

Below are the top three facts taxpayers should know about tax refunds...

- The tax refund should always be deposited or mailed 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.

“If the tax preparer somehow wants a piece of your refund? Walk away,” Escobedo said.

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](http://ctec.org) or visit [reporttaxpreparerfraud.org](http://reporttaxpreparerfraud.org) for more tips.

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