



For Immediate Release

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Survey Finds Taxpayers Not Verifying Tax Preparer Signature

Most taxpayers surveyed couldn't recall if their tax preparer signed their tax return, increasing risk of fraud

Sacramento, CA (April 8, 2020) — An online survey paid for by the [California Tax Education Council \(CTEC\)](#), a state-mandated nonprofit organization that manages the registration of 40,000 unlicensed tax preparers, found that nine percent of taxpayers surveyed claim their tax preparer used a business label instead of signing the tax return by name.

"It may seem like a legitimate way to sign, but the actual copy filed doesn't include the label. These tax preparers do that so they can't be tracked or held accountable," said Susie DiMaggio, chair of CTEC.

The survey was conducted during the 2019 tax filing season and focused on 500 adults in Los Angeles, the market the [California Franchise Tax Board \(FTB\)](#) reports to have the most problems with questionable tax preparers. Of those surveyed, 77 percent paid someone else to do their taxes. Only 11 percent claimed they verified their tax preparer signed.

Tax preparers are required by law to sign (typed or handwritten) client tax returns they prepared for a fee. The IRS also requires they include a [Preparer Tax Identification Number \(PTIN\)](#) on federal tax returns.

Here's how ghost tax preparers work. They print out tax returns for clients, tell them to sign and mail it out. What many taxpayers fail to notice is that instead of a name, the tax return is listed as "self prepared." For electronically filed tax returns, their name is also left out. Other typical scams include claiming they "forgot" or promise to sign the tax return after payment is received.

"CTEC is working with FTB on a pilot enforcement program specifically targeting these ghosts," DiMaggio said. "It will be interesting to see how the results unfold with filing extensions. Will they stick around longer giving our enforcement more time to track them down?"

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 \(EA\)](#). Taxpayers can submit anonymous reports regarding ghost tax preparers to CTEC.org. CTEC was established in 1997 by the California State Legislature to protect taxpayers against fraudulent tax preparers.

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