



Contact: Gigi Jones | [gjones@ctec.org](mailto:gjones@ctec.org) | 916.296.6913

## The Scary Truth About Ghost Tax Preparers

*Tax preparers share true stories about victims who came to them for help after dealing with fraud*

**Sacramento, CA (February 13, 2023)**—It is a problem that continues to haunt taxpayers each year. Self-proclaimed “professional” tax preparers who lure taxpayers in with low fees, often touting “big and fast” tax refunds, then disappear right after the tax filing deadline hits the stroke of midnight.

“Eventually the taxpayer is left with a financial mess and the tax preparer is nowhere to be found. We call them ghost tax preparers,” said Lester C. Crawford, chair of the [California Tax Education Council \(CTEC\)](#), a state-mandated nonprofit organization that manages the registration of 40,000 tax preparers.

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 the tax return will not show the tax preparer’s signature. For electronically filed tax returns, their name is also left out. These tax returns are filed as “self prepared.”

“A lot of them move from one city to another every year and reestablish their client base through word of mouth,” said Fernando Angell, CTEC board member. “They never sign client returns, which is illegal.”

Other typical scams include...

- Sticking a business label on the tax return instead of signing it. Clients get the label copy so it looks as though they signed it; however, a blank copy without a business label is filed.
- Claim they “forgot” to sign the tax return and promise to sign “later” after payment is received.
- Requiring payment in cash and not providing a receipt.
- Inventing income to qualify their clients for tax credits.
- Claiming fake deductions to falsely boost the size of the refund.
- Direct refunds into their bank account instead of the taxpayer’s account.

“One client I helped had a ghost tax preparer block their calls after getting notices from the IRS,” Angell said. “I think this is targeted, senseless misconduct happening in our cities.”

California taxpayers should always verify the tax preparer is legally qualified. 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 \(EA\)](#). Taxpayers can submit anonymous reports about questionable tax preparers to [CTEC.org](#). Taxpayers can get more tips on the podcast [taxpayerbeware.org](#), also available in Spanish at [contribuyentecudese.org](#)

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraudulent and incompetent tax preparers.

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