



For Immediate Release

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True Stories About ‘Ghost’ Tax Preparers and the Mess Victims Face

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

Sacramento, CA (February 10, 2021)— It is a problem that continues to haunt taxpayers every year. Ghost tax preparers. Who are they? Tax preparers who set up shop during tax season, prepare countless fraudulent tax returns, then disappear without a trace right after the tax filing deadline.

“A lot of them move from one city to another every year and reestablish their client base through word of mouth,” said Fernando Angell, board member of the [California Tax Education Council \(CTEC\)](#), a state-mandated nonprofit organization that manages the registration of 40,000 tax preparers.

“I had a couple come to me for help because their immigration status depended on it,” said Esperanza Escobedo, CTEC board member. “The ghost tax preparer refused to answer the door after their attorney told them to get their return amended for a court case. There was at least \$13,000 worth of Earned Income Tax Credit (EITC) fraud, not to mention social security fraud.”

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, which is required by law, or they mark it as “self prepared.” For electronic tax returns, their name is also left out.

Other typical scams include...

- Sticking a business label on the tax return instead of signing it. Clients get the label copy so it looks signed; however, a blank copy without a business label is filed.
- Claim they “forgot” to sign and promise to sign “later” after payment is received.

“One client I helped had a ghost tax preparer block their calls after getting notices from the IRS for two different tax years,” Angell said. “More victims from this ghost tax preparer keep coming to us for help. He had quite the scheme going.”

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 \(EA\)](#).

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers. Visit CTEC.org for more true tax scam stories on the CTEC podcast, “Taxpayer Beware.”

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