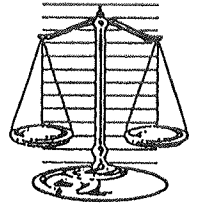




# CITY OF PARMA OHIO

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December 6, 2016

## **LAW DIRECTOR ADVISORY** **Holiday Identity Theft and Tax Fraud/Scams**

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In light of the approaching Holiday season, and the annual filing of taxes that follows, City of Parma Law Director Tim Dobeck wants to take this opportunity to share information critical to Parma residents concluding this year and beginning next year on a positive note. During this time of year, scammers and fraudsters kick into high gear in an effort to take advantage of well-meaning people everywhere. The following is a description of prevalent frauds and scams that all Parma residents should be aware of, so that they don't fall victim to them.

### **Emergency Scams**

Scammers make up an urgent situation—I've been arrested, I've been mugged, I'm in the hospital—and target friends and family with pleas for help, and money.

The Grandparent Scam is one version of the emergency scam: A young person poses as a grandchild with an emergency and appeals to family members to help them immediately. Don't believe everything you hear, and be sure to verify the emergency situation before you give them any contact information, and especially before you send any money. This scam could also take the form of a relative trying to get home for the Holidays.

Another variation is the relationship scam. You meet a great person online, everything seems to be going great but you aren't able to meet yet for any variety of reasons (distance, military deployment, work travel, etc.). Suddenly your online love interest has an emergency and needs you to wire money, and as soon as you do, he or she will continue to find more reasons to ask for money from you. Remember, you should never wire money to someone that you don't personally know or trust or haven't met in person.

### **Advance Fee/Prepayment Scams**

In challenging economic times, many people are looking for help getting out of debt or hanging on to their home. Scammers pose as representatives from phony loan companies and use authentic-looking documents, emails and websites to fool consumers into parting with their money. Some sound like a government agency, or even part of Better Business Bureau or other nonprofit

consumer organizations. Most ask for an upfront fee to help you deal with your mortgage company, creditors or the government (services you could do yourself for free), but leave you in more debt than when you started.

They all have a common theme: Victims pay a smaller amount of money in anticipation of something of greater value, but then you receive nothing in return. You should not send a wire transfer to receive a loan or a credit card.

### **Sweepstakes and Lottery Scams**

Victims get an unsolicited phone call, email, letter or fax from someone claiming to work for a government agency or representing a well-known organization or celebrity, notifying them that they've won a lot of money or a prize. The scammer gains their trust and explains that, in order to collect the winnings, they first have to send a small sum of money to pay for processing fees or taxes. Following these instructions, victims immediately wire the money, but never get their "winnings." And they're out the money they paid for "fees and taxes."

Victims could also get an unsolicited check or money order and directions to deposit the money, and immediately wire a portion of it back to cover processing fees or taxes. Soon after this, victims learn that the checks are counterfeit, but have already wired the money to cover the "taxes" and can't get it back. And they're on the hook to pay their banks back for any money they withdrew.

Information courtesy of the Better Business Bureau: <https://www.bbb.org/council/bbb-scam-stopper/top-scams/>

### **IRS/Tax Fraud**

The IRS continues to warn consumers to guard against scam phone calls from thieves intent on stealing their money or their identity. Criminals pose as the IRS to trick victims out of their money or personal information. Here are several tips to help you avoid being a victim of these scams:

- **Scammers make unsolicited calls.** Thieves call taxpayers claiming to be IRS officials. They demand that the victim pay a bogus tax bill. They con the victim into sending cash, usually through a prepaid debit card or wire transfer. They may also leave "urgent" callback requests through phone "robo-calls," or via phishing email.
- **Callers try to scare their victims.** Many phone scams use threats to intimidate and bully a victim into paying. They may even threaten to arrest, deport or revoke the license of their victim if they don't get the money.
- **Scams use caller ID spoofing.** Scammers often alter caller ID to make it look like the IRS or another agency is calling. The callers use IRS titles and fake badge numbers to appear legitimate. They may use the victim's name, address and other personal information to make the call sound official.
- **Cons try new tricks all the time.** Some schemes provide an actual IRS address where they tell the victim to mail a receipt for the payment they make. Others use emails that contain a fake IRS document with a phone number or an email address for a reply. These scams often use official IRS letterhead in emails or regular mail that they send to their victims. They try these ploys to make the ruse look official.

- **Scams cost victims over \$23 million.** The Treasury Inspector General for Tax Administration, or TIGTA, has received reports of about 736,000 scam contacts since October 2013. Nearly 4,550 victims have collectively paid over \$23 million as a result of the scam.

**The IRS will not:**

- Call you to demand immediate payment. The IRS will not call you if you owe taxes without first sending you a bill in the mail.
- Demand that you pay taxes and not allow you to question or appeal the amount you owe.
- Require that you pay your taxes a certain way. For instance, require that you pay with a prepaid debit card.
- Ask for your credit or debit card numbers over the phone.
- Threaten to bring in police or other agencies to arrest you for not paying.

***If you don't owe taxes,*** or have no reason to think that you do:

- Do not give out any information. Hang up immediately.
- Contact TIGTA to report the call. Use their "IRS Impersonation Scam Reporting" web page. You can also call 800-366-4484.
- Report it to the Federal Trade Commission. Use the "FTC Complaint Assistant" on FTC.gov. Please add "IRS Telephone Scam" in the notes.

***If you know you owe,*** or think you may owe tax:

- Call the IRS at 800-829-1040. IRS workers can help you.
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Phone scams first tried to sting older people, new immigrants to the U.S. and those who speak English as a second language. Now the crooks try to swindle just about anyone. And they've ripped-off people in every state in the nation.

Stay alert to scams that use the IRS as a lure. Tax scams can happen any time of year, not just at tax time. For more, visit "Tax Scams and Consumer Alerts" on IRS.gov.

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your Taxpayer Bill of Rights. Explore your rights and our obligations to protect them on IRS.gov.

Information courtesy of the Internal Revenue Service: <https://www.irs.gov/uac/irs-urges-public-to-stay-alert-for-scam-phone-calls>

Parma residents are urged to be aware of these potential threats, inform other residents of these potential dangers, and should they have any reservations or doubts, not hesitate to call and report their suspicions to the numbers listed below.

Ohio Attorney General:	614-466-4986
Treasury Dept. Inspector General:	800-366-4484
Parma Police Dept.:	440-885-1234