

# COMPLIANCE MATTERS.

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News and Insights from Chapman's Department of Institutional  
Compliance and Internal Audit



## IN THIS ISSUE

### **Tax Scams**

Discover how tax frauds will try to target you during tax season.

### **Types of Tax Fraud**

Learn about common tactics tax frauds will use.

### **Tips to Avoid Tax Scams**

How to prevent tax scams from happening to you.

# Tax Fraud

By Peter Aguila

Tax season is upon us! If you're one of California's 16.9 million tax filers, this time of year is either great because you're expecting some money back or terrifying because you either owe money or don't know how to do your taxes. The one thing that each person has in common, however, is they are potential targets for fraudsters. Here are a couple tax scams to be aware of.

## Tax Scams

1. **Tax Resolution Scams:** Scammers offer to "fix" your tax problems for a fee, often providing services you could obtain for free or at a lower cost. These scammers typically target individuals who owe back taxes or are facing IRS penalties, exploiting their anxiety and desperation. They may advertise their services through phone calls, emails, or online ads, presenting themselves as legitimate tax professionals. However, after collecting upfront fees, they often fail to deliver on their promises, leaving victims in worse financial situations.

2. **Tax Fraud Scams:** Common scams include fake IRS phone calls demanding money, phishing emails, and fraudulent tax preparers.

These scammers often employ high-pressure tactics, such as threats of arrest, deportation, or revocation of your driver's license, to create a sense of urgency and fear. They may also use caller ID spoofing to make it appear as though the call is coming from a legitimate government agency. In some cases, they follow up with additional calls that seem to come from the police or DMV to reinforce their threats.





# Tips to Avoid Tax Scams

- **Hang up the phone:** While the IRS or Franchise Tax Board (FTB) may sometimes call a person who owes taxes, they only do so after they have tried to contact you by mail. They do not threaten jail time or seek payment over the phone.
- **Do NOT open the email!** Never open an email or text message that says it is from the IRS or the FTB. The IRS and FTB will not use email, text messages, or social media as the first way of contacting you to request personal or financial information or to send notices regarding audits or refunds. Replying to the email, opening attachments, or clicking on links may enable scammers to collect your personal information or infect your computer with viruses or other malware.



<https://www.ocregister.com/2023/08/11/californias-million-dollar-taxpayers-grew-51-in-5-years/>

# MORE TIPS

- **Use a strong password.** When preparing your tax return for electronic filing, use a unique, strong password for your online filing accounts. A strong password is eight or more characters, including letters, numbers, and symbols. Use a unique password for each of your tax filing accounts.
- **Think beyond the password.** For greater security, get an Identity Protection PIN (IP PIN) for your e-filing account with the IRS. A new PIN is provided each year by the IRS. Click here for [information on an IP PIN](#).
- **Use two-step authentication.** Check the availability of two-step authentication to protect your tax filing accounts (and other online accounts containing sensitive information, such as your email and social media accounts). Two-step authentication offers more substantial protection than just a password and username. The process (also called login approval or multi-factor authentication) adds a second factor, such as a one-time use code sent to you by email, phone, or text. You enter that code, along with your username and password, to get access to your account.
- **Report the number and email.** If you receive a phone call or email impersonating the IRS, report it to the [Treasury Inspector General for Tax Administration \(TIGTA\)](#). Also, send any phishing emails to [phishing@irs.gov](mailto:phishing@irs.gov).



Staying informed and cautious can help protect you from these scams. If you have any specific questions or need further assistance, feel free to ask!





# Questions? Concerns?



If you have any questions about doing taxes or tax fraud feel free to contact us by email at [Compliance@chapman.edu](mailto:Compliance@chapman.edu).

Questions:

Do you feel that you are prepared and organized when its time to pay taxes?

Should Chapman provide more resources for helping with taxes?



## We want to hear from you

### Prize Opportunity

Share which tip resonated with you the most in the articles above by emailing us at [Compliance@chapman.edu](mailto:Compliance@chapman.edu). As a token of appreciation for reading our newsletter, we'll send you a small "thank you."

### Concerns Questions

If you have any concerns or questions you can read more about us at [Chapman.edu/compliance](https://Chapman.edu/compliance) or email us at [Compliance@chapman.edu](mailto:Compliance@chapman.edu)

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