



## **Scammers Posing as Tax Preparers, Tax or Business Investment Advisors**

*National Consumer Protection Week Is February 28 to March 6*

The District of Columbia Department of Insurance, Securities and Banking (DISB) is warning District residents to be on the alert for scammers pretending to be legitimate tax advisors, tax preparers and tax or business investment advisors. Generally, tax season is between January 1 and April 15 for the prior year. Many consumers have used the same tax advisors for years and have confidence in their ability to process tax returns. However, the coronavirus (COVID-19) public health emergency has caused many tax preparation businesses to close or curtail operations.

EXAMPLE: Scammers are targeting individuals who are searching for tax services. Scammers use various means of advertising that include social media, emails, text and phone calls.

ACTION—Be aware that a tax preparer may be involved in possible tax-related scams if he or she:

- Contacts you with unsolicited tax services
- Operates only as a virtual business
- Has no business address or direct telephone numbers
- Has no known employees or staff
- Suggests investment opportunities
- Guarantees excessively high returns without supporting documentation
- Is not knowledgeable of updated District and IRS regulations/laws
- Recommends unlicensed investments to lower or eliminate tax liabilities
- Only accepts cash payments for services rendered or demands payment before completion of all work
- Guarantees unrealistic returns on tax or business investments

**If you believe you have been a victim of a scammer claiming to be a tax advisor or recommending tax-related investments, please contact the DISB Enforcement and Consumer Protection Division at 202-727-8000.**

### **About DISB**

The mission of the Department of Insurance, Securities, and Banking (DISB) is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.