

ARIZONA DEPARTMENT OF REVENUE STOPS \$ 31.8 MILLION IN FRAUDULENT REFUNDS

The Arizona Department of Revenue is combating the growing epidemic of a particular type of tax fraud whereby individuals file false income tax returns using stolen or fictitious taxpayer information. Over the past fiscal year, the Department of Revenue has stopped over \$31.8 million dollars in fraudulent refunds from being sent out.

Anthony Forschino, Assistant Director for the Department of Revenue in charge of criminal investigations, states this is an increase of over \$22 million dollars from the previous fiscal year. He attributed the increase to enhancements to the Department's computer programs along with additional highly trained and motivated financial auditors and investigators assigned to this effort. Forschino also said "the Department is working with the IRS, other states and law enforcement agencies to share information and develop strategies to combat this kind of fraud, especially by the larger criminal syndicates and organized groups who are engaged in this type of fraud."

The advent of electronic filing has made it possible for crooks from anywhere in the world to file hundreds and even thousands of false income tax returns in all income taxing jurisdictions.

"This problem is not limited to Arizona. The IRS believes in tax year 2012 it paid out at least \$5.2 billion in fraudulent refunds and projects it will pay about \$21 billion in fraudulent refunds over the next 5 years, even with improvements in IRS systems and processes designed to detect fraudulent returns" said Department of Revenue Director John Greene. Greene also said "this type of tax fraud amounts to stealing taxpayer money from the state's general fund. We are committed to do everything possible to combat this kind of crime."

"Our Criminal Investigation Unit has done a great job in protecting taxpayer money by stopping these fraudulent refunds from being sent out," said Department of Revenue Director John Greene. He added that "it is important to continue this effort and it is our commitment to the citizens of Arizona to continue using all available recourses to protect taxpayers and their tax dollars from this type of fraud."