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## **You're Facing an Issue with Your Tax Preparer. Now What?**

*A victim of tax preparer fraud shares his story with the California Tax Education Council.*

**Sacramento, CA (March 4, 2025)** — Most tax preparers are honest professionals, but dishonest and unscrupulous ones still exist. This was the case for a senior citizen in Nevada who mistakenly hired a tax preparer conducting business illegally in California.

"The victim claims the preparer in question charged him \$2,000 and required payment upfront and never followed through with filing the return," said Ray Davis, board member with the [California Tax Education Council \(CTEC\)](#) and host of the [Taxpayer Beware](#) podcast. "He says he was left with no choice but to cut his losses and that's when he contacted CTEC."

It is one of the reasons why California requires tax preparers to be licensed or registered. State law requires anyone who prepares tax returns for a fee to be either an [attorney](#) with the [State Bar of California](#), [certified public accountant \(CPA\)](#) with the [California Board of Accountancy](#), [CTEC-registered tax preparer \(CRTP\)](#) or [enrolled agent \(EA\)](#) with the [Internal Revenue Service](#).

"The victim says the preparer argued that he didn't have to sign or file the return because he did it through Turbo Tax. That's not true. If they charge a fee, they are required to sign," Davis said.

Below are typical scams the victim claims he faced and the legalities every taxpayer should know:

- **Not signing the return** - Paid tax preparers are required by law to sign client tax returns (typed or handwritten) and include an [IRS Preparer Tax Identification Number \(PTIN\)](#). Some questionable tax preparers may stick a business label on the return as proof of signature. This is not sufficient according to the [California Franchise Tax Board](#) tax preparer enforcement team.
- **No California credential** - The tax preparer in question claimed to have a degree in accounting, however, a college degree does not meet state requirements. California law requires that paid tax preparers must be either a California attorney or CPA, CRTP, or EA.
- **Tax preparation fees** - There is not a regulation on service fees; however, taxpayers should have a written contract before engaging with the tax preparer to avoid confusion and surprise fees. If there is no contract, then it is the taxpayer's word against the tax preparer's word.

"People are taken all the time and you think this is something limited to elderly people," said Tom O'Saben, CTEC board member and director of tax content and government relations at the [National Association of Tax Professionals \(NATP\)](#). "I had a younger client who went to the bank to withdraw money because of a phone call she got. The bank teller asked what was wrong because she seemed really upset. She told her she was going to be arrested if she didn't take this cash out. This was a smart young professional. Luckily the bank teller told her to call her tax person."

To hear more about this story, visit [taxpayerbeware.org](http://taxpayerbeware.org), also in Spanish at [contribuyentecudese.org](http://contribuyentecudese.org).

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers. Individuals can report unregistered tax preparers at [ctec.org](http://ctec.org).

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