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March 6, 2014

\*\*\*\*\*CONSUMER ALERT\*\*\*\*\*

**MADIGAN ISSUES ADVICE FOR TAX SEASON**

*Attorney General Alerts Illinois Consumers to Risk of Costly Refund Anticipation Products*

**Chicago** — In recognition of National Consumer Protection Week, Attorney General Lisa Madigan today alerted Illinois consumers to the costly risk of tax refund anticipation products as they work to file their tax returns by April 15.

Tax preparers offer refund anticipation loans, checks and temporary debit cards as an option for consumers to receive an instant cash deposit based on their anticipated tax refund instead of waiting for their official IRS refund. But in reality these options are in essence short-term, high-cost loans that only saddle consumers with high interest rates and fees that are deducted from their tax refund. Particularly egregious is the fact that consumers who obtain refund anticipation checks and debit cards do not actually receive their returns faster because the business must still wait for the IRS to deposit the refund into the temporary account.

“With tax season underway, consumers should be cautious of any offer that promises a faster tax refund because these offers will ultimately cost you a large chunk of your refund,” Madigan said.

In recognition of National Consumer Protection Week, Madigan’s office will be participating in a Consumer Protection Fair hosted by the Better Business Bureau of Chicago & Northern Illinois. The fair will be held from 9 a.m. to 3 p.m. Tuesday on the ground floor of the James R. Thompson Center. Representatives from the Attorney General’s office will be on hand to answer questions for attendees.

In addition to tax refund anticipation products, Madigan said consumers should be aware of complaints received by her office regarding tax-related identity theft. Madigan’s lawsuit against the tax preparer Mo’ Money in 2012 and other complaints into her office show that for some consumers, even simply consulting with a company offering tax refund anticipation products leads to problems. Consumers have reported instances of companies filing a tax return in their name without their authorization based on information the consumer provided in an initial consultation.

Madigan offered tips for consumers to avoid becoming the victim of tax-related identity theft:

- Do not open or reply to any emails claiming to be from the IRS that contain a request for personal information. Ask for a call back number and employee badge number from anyone claiming to be an IRS agent so that you may independently confirm the phone number and agent.
- Report any suspicious IRS paper mail correspondence to the IRS, if the sender is identified as not legitimate, contact the Treasury Inspector General for Tax Administration at 1 (800) 366-4484.
- Contact the IRS Identity Protection Specialized Unit at 1 (800) 908-4490 or visit the IRS [website](#) to report tax-related identity theft.

Madigan’s office continues to monitor complaints regarding businesses that offer tax-refund anticipation loans and checks in light of an Illinois law initiated by her office that cracks down on the excessively high fees associated with these options.

To report a complaint involving a refund anticipation product, contact Madigan’s Consumer Fraud hotlines:

1-800-386-5438 (Chicago)

1-800-243-0618 (Springfield)

1-800-243-0607 (Carbondale)

Consumers seeking help to prepare and file their taxes free of charge can visit the Center for Economic Progress [website](#).

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