ALERT: Beware of Criminals in (Supposedly) IRS Clothing

Scams already are underway to defraud individuals slated to receive payments resulting from passage of the CARES Act, the Coronavirus Aid, Relief, and Economic Security Act. Because the intention is, as much as possible, to issue payments via direct deposit and use tax information from 2019 or 2018, phishing is happening via phone calls, text messages, and e-mails - not only to individual citizens but also through a large uptick in preparers being targeted. Remind your clients, employers, colleagues, friends, and family: The IRS will not call, text, or email you to verify banking information for stimulus payments.

The messaging includes variations such as "in order to receive your/your client's stimulus payment via direct deposit, we need you to confirm the banking information." The information may be sought via telephone or directing victims to click on a link to a website where they enter their banking information.

In addition, the Colorado Department of Revenue (CDOR) has been advised to watch for:

- **Increase in phishing schemes from criminals looking to gather information.** These may come through call centers pretending to be the taxpayer and phishing emails designed to look like they are coming from agency executives to gather large sets of taxpayer or employee data.

- **Increase in phishing schemes in other state agencies** which hold data that would be valuable to assist a criminal in gathering additional personal information that can help them file returns and/or get stimulus payments.
The extension period for filing returns and paying taxes also provides an opportunity for criminals to take advantage of identity theft because there's an expanded time frame before the real taxpayer files. It's now a balance between encouraging people to file by the due date if they can and watching for criminals who will use that window to their advantage to file fraudulent returns.

Expect to see an increase in fraudulent zero balance returns if it's determined people who don't normally file need to file a return to receive the stimulus payment. The possibility of criminals filing returns with a low balance due also is likely so that they have a filing record that can be used to allow them access to stimulus funds. A small balance due is worth it for a larger stimulus payment.

Go to https://www.consumer.ftc.gov/blog/2020/03/checks-government to see the Federal Trade Commission information on checks from the government.

Last week, a COCPA member called about whether CDOR has a “discovery department” because a friend had received a call asking for Personally Identifiable Information (PII) from someone with that department. Again, don’t provide PII under such circumstances.

To stay informed, go to www.cocpa.org/COVID-19 for news, updates, and resources, including the AICPA state-by-state tax filing guide. We are monitoring developments closely and updating the information as it changes.

What We Know

Accounting services are considered “critical services” and therefore exempted from Gov. Jared Polis's Updated Executive Order 20 24, Section 7. Financial and Professional Institutions, Including: Banks and credit institutions; Insurance and payroll; Services related to financial markets; Professional services, such as legal, title companies, or accounting services, real estate appraisals and transactions.

You are strongly encouraged to follow the stay at home order as much as possible, nonetheless, and implement social distancing, staggered work schedules, and telecommuting.

We await details on implementation of the CARES Act, the Families First Coronavirus Response Act, applying for assistance through the Colorado SBA Disaster Relief Fund, and a host of related items. Thank you for your patience.
Mark your calendar for **April 9, How to Navigate the Bear Market: The COVID-19 Crisis**, with COCPA author/instructor Mark J. Smith, and April 10, for Don Farmer’s update on the tax implications of the new legislation. Details will be coming to you shortly.

The Colorado State Board of Accountancy has adopted the National Association of State Boards of Accountancy (NASBA) recommendations for extending Notices to Schedule (NTS) and extending the 18-month period to complete the Uniform CPA Examination to September 30, 2020. What’s **NEW: The AICPA, Prometric, and NASBA have extended the June 10, 2020, testing window for the Uniform CPA Examination to June 30.**

As a COCPA member, you can post general questions on the CONNECT Open Forum at [cocpa.org/connect](http://cocpa.org/connect) and by using the chat feature at [www.cocpa.org](http://www.cocpa.org). You also can call us at 303-773-2877 or 800-523-9082. Though the physical office is closed, we’re here for you, today, tomorrow, and into this uncertain future, no matter what.

Reach me directly by email at [mary@copa.org](mailto:mary@copa.org). Take care, and stay healthy,

*Mary E. Medley, CEO*