

State of Rhode Island and Providence Plantations



Department of Human Services  
Division of Elderly Affairs

## **FRAUD ALERT**

***Be Alert! Be Aware! Don't Be a Victim!***

### **THE MILITARY DISABILITY REFUND SCAM**

PLEASE READ THE ATTACHED INFORMATION REGARDING THE MILITARY  
DISABILITY REFUND SCAM

John O. Pastore Center, Hazard Building / 2<sup>nd</sup> Floor  
74 West Road, Cranston, RI 02920  
Telephone 401-462-3000, Fax 401-462-0503, TTY 401-462-0740  
Web Site: [www.dea.ri.gov](http://www.dea.ri.gov)

# FACT SHEET

## Refund Schemes related to Military Disability Compensation

May 23, 2012



### Key Messages

- Do not send your personal information or copies of your tax returns and 1099s to the individual listed in the email.
- Sharing your personal information could result in a financial loss to you.
- The IRS does not initiate contact with taxpayers by email to request personal or financial information.
- Identity theft occurs when someone uses your personal information such as your name, Social Security number or other identifying information, without your permission, to commit fraud or other crimes.

### IRS.gov Links

- [2012 Dirty Dozen](#) list of tax scams
- [Taxpayer Guide to Identity Theft](#)

#### YouTube Video:

- [Tax Refund Scams - English | Spanish | ASL](#)

*This document provides information regarding phony refund schemes related to military disability compensation.*

### Background

Emails are being sent to individuals, including military members, military retirees, and civilian employees, which appear to be sent by Defense Finance and Accounting Services. Although the email appears to come from DFAS and displays a *.mil* email address it is actually from a non-government email account.

The emails indicate that individuals who are receiving disability compensation from the Department of Veterans Affairs may be able to obtain additional funds from the IRS. These emails are not issued by DFAS.

The email indicates that individuals receiving VA disability compensation can receive additional funds from the IRS by sending copies of VA award letters, income tax returns, 1099-Rs, Retiree Account Statements, and DD 214s, to a retired Colonel at an address in Florida.

These schemes can be quite costly for victims. Promoters may charge exorbitant upfront fees to file these claims and are often long gone when victims discover they've been scammed.

Taxpayers should be careful of these scams because, regardless of who prepared their tax return, the taxpayer is legally responsible for the accuracy of their tax return and must repay any refunds received in error, plus any penalties and interest. They may even face criminal prosecution.

To avoid becoming ensnared in these schemes, taxpayers should beware of any of the following:

- Fictitious claims for refunds or rebates based on false statements of entitlement to tax credits
- Emails from unfamiliar senders asking for personal information
- Internet solicitations that direct individuals to toll-free numbers and then solicit Social Security numbers or other personal information

If you receive a notice from the IRS, **respond immediately**. If you believe someone may have used your SSN fraudulently, please notify IRS immediately by responding to the name and number printed on the notice or letter. You will need to fill out the IRS Identity Theft Affidavit, [Form 14039](#).