

Scams and Phishing: Making Sure You're Really Talking to the CRA

Much, if not most, business communication is now carried out by electronic means, particularly through the Internet and the use of e-mail. The Canada Revenue Agency is no exception, and it is now possible to deal with the Agency on just about every tax issue, from filing a return to disputing one's tax liability, either through its Web site or by telephone.

The ability to deal with the CRA electronically has inevitably brought with it some of the risks and potential problems that plague all such electronic communication, in the form of phishing and scam artists. Dealings with the CRA through its Web site are protected by multiple levels of security, however, that does not prevent the unscrupulous from contacting taxpayers and claiming to represent the CRA, in order to obtain the taxpayer's personal financial or tax information for fraudulent purposes.

Typically, the fraudulent contact happens in one of three ways. First, the taxpayer may be referred to a Web site that looks remarkably similar, especially for those not familiar with the real thing, to the CRA's Web site. Once on the site, the taxpayer is asked to "verify" their identity by providing personal information, which, of course, is then used to defraud them. Second, the taxpayer may be contacted by e-mail by a person claiming to be from the Agency and, once again, asked to provide personal financial information, including bank account, credit card, or passport numbers. Generally, the taxpayer is told that the disclosure of such information is necessary before monies owed to that taxpayer by the CRA can be paid. Finally, the taxpayer may be contacted by phone with similar information requests, for similar purposes. Examples of fraudulent e-mails and online "refund" forms that have been used in the past are provided on the CRA Web site at <http://www.cra-arc.gc.ca/nwsrm/lrts/2007/071119-eng.html> and <http://www.cra-arc.gc.ca/ntcs/nln-rfnd-eng.html>.

To avoid becoming the victim of such scams, taxpayers should remember the following about the manner and means by which the CRA communicates with taxpayers:

- The CRA does not view e-mail as a secure means of communication and will never request personal information of any kind from a taxpayer by e-mail;
- The CRA will not divulge taxpayer information to another person unless formal authorization is provided by the taxpayer; and
- The CRA will not leave any personal information on an answering machine.

In addition, the CRA suggests that taxpayers who are contacted, by any means, by someone claiming to be a CRA representative should, before providing any information whatsoever, ask themselves the following questions:

- Am I expecting additional money from the CRA?
- Is the requester asking for information I would not include with my tax return (such as a credit card or passport number)?
- Is the requester asking for information that I know the CRA already has on file for me (like a social insurance number)?
- How did the requester get my e-mail address (the CRA does not ask a taxpayer to provide an e-mail address on any of its forms or returns)?

Taxpayers who receive what they believe to be a fraudulent communication (or even those who wish to verify that a person who has contacted them by phone is indeed a CRA representative) have two possible courses of action. Taxpayers can verify the authenticity of a CRA telephone number by calling 1-800-O-Canada (1-800-622-6232). Taxpayers who wish to report what they believe to be a fraudulent communication can contact the RCMP's Phonebusters service at info@phonebusters.com or call 1-888-495-8501.

It is unfortunate that every year many Canadians, often those who are most vulnerable, lose sometimes significant sums of money to online and telephone scams, and only in rare instances are they able to recover any of those funds. While many taxpayers are quick to spot obvious online phishing, they are perhaps less inclined to question communications which purport to come from the tax authorities, particularly when the Web sites and forms to which they are referred appear so much like the real thing. In deciding how to respond to any communication (especially electronic communication) that claims to be from the CRA, it is important to remember that CRA representatives engaged in legitimate taxpayer communications will never object to a taxpayer seeking to independently confirm that fact. And, of course, no matter what the form of communication or who it is received from, the age-old caveat applies: if it sounds too good to be true, it probably is!