

The Virgin Islands Consortium

IRS Warns Taxpayers of Charity Scams in Wake of Hurricanes Milton and Helene

Scammers exploit natural disasters by using fake charities to steal personal and financial information, IRS emphasizes the importance of caution

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The Internal Revenue Service has issued a warning to taxpayers about the risk of charity scams that have emerged in the wake of Hurricanes Milton and Helene. These scams often target well-meaning donors looking to support victims of natural disasters, with fraudsters using fake charities to steal personal and financial information.

IRS Commissioner Danny Werfel emphasized the importance of caution when donating. "Many people want to help survivors and their families by donating to charities," Werfel said. "Too often criminals take advantage of would-be donors' kindness by stealing money and personal information from well-meaning taxpayers. You should never feel pressured by solicitors to immediately give to a charity. It's important to do the research to verify if they're authentic first."

The IRS highlighted the availability of the Tax-Exempt Organization Search (TEOS) tool on its website, which can help donors verify the legitimacy of a charity. This tool allows individuals to check if a charity is eligible to receive tax-deductible donations and provides information about an organization's tax-exempt status and filings.

To further protect potential donors, the IRS offered several tips to avoid falling victim to fake charities. These include always verifying the charity's name, website, and mailing address independently. Scammers often use names that sound similar to well-known organizations, and they may employ emails, fake websites, or altered caller IDs to deceive potential donors.

The IRS also cautioned against giving donations through methods such as gift card numbers or wire transfers, as these are commonly used in scams. Donors are encouraged to use credit cards or checks, but only after confirming the charity's legitimacy. Additionally, taxpayers should never share sensitive information like Social Security numbers, credit card numbers, or personal identification numbers with solicitors.

A critical warning was issued against pressure tactics, with the IRS stating that legitimate charities do not rush donors to make immediate payments. In contrast, scammers often employ aggressive tactics to secure quick donations.

For those who encounter suspicious charities, the IRS recommends visiting the FBI's resources on Charity and Disaster Fraud for more information.

Taxpayers looking to claim deductions on donations are reminded that only contributions made to qualified tax-exempt organizations recognized by the IRS are eligible for deductions. Donations can be claimed if individuals itemize their deductions on their tax returns.

The IRS continues to encourage taxpayers to remain vigilant and informed when making charitable donations, particularly in the aftermath of disasters when scams are more prevalent.