

## Arrests Made in IRS Phone Scam

On April 8, 2017, police in Mumbai India arrested 24-year-old Sagar 'Shaggy' Thakker, who is alleged to be the mastermind behind Mumbai call centers that scammed millions from U.S. taxpayers. Thakker was extradited from Dubai where he was reported to have fled after his call centers were raided by police in October 2016. In the October raids, Indian authorities arrested some 75 call center employees in the Thane suburb of Mumbai. Charges included conspiracy to commit identity theft, impersonation of an officer of the United States, wire fraud, and money laundering. A Mumbai newspaper reported that Thakkar's call centers were also involved with banking, pharmacy, grant, and other scams.

In one account, a woman in California received a voice message saying she was in trouble with the IRS over tax evasion. She called the number from the voice message and told a man who said he was from the IRS that she could pay \$500, which was half the amount demanded from the voice message. The man told her she could pay \$500 today, and that the lawyers would look at her accounts and work out a monthly payment plan. The man told her to keep the phone line open and drive to a nearby grocery store where she bought \$500 worth of iTunes gift cards. She then gave the scammer the redemption codes for the gift cards.

The U.S. Justice Department estimates at least 15,000 people in the U.S. have lost more than \$300 million in these types of phone scams since 2013.

Training materials and taped conversations, which investigators claim were made by call center instructors, revealed how the operation worked. Callers would pose as IRS officers and threatened their victims, often newly-arrived immigrants and the elderly, into paying fictitious tax penalties electronically. Usually, the victims were instructed to buy gift cards and turn over the redemption codes. Calls were typically made using voice over internet protocol technology that allowed the scammers to spoof the phone numbers, making it appear that the calls were coming from the IRS or some other government agency. Call center employees would tell their victims that they would be arrested, jailed, and their homes would be seized and their passports confiscated if they did not pay up.

One call center employee said that on a good day, they extracted as much as \$20,000 from a single U.S. citizen. Another call center worker said there was one instance where an old lady was crying, but the caller kept insisting that she pay up. Call center employees were taught to be tough. Another call center employee said that for every dollar they brought in, they earned 2 rupees, which is around one third of a U.S. penny.

The Mumbai newspaper also reported that Thakker bought a special script which was used by his call center employees to sound more authentic while posing as IRS officials. Authorities say that after he bought the script, it was sent to multiple call centers. Thakkar is alleged to have personally made over \$155,000 a day, or over \$1 million per week during the peak of the scam.

The Department of Justice, the IRS, and the Department of Homeland Security has also announced the arrest of 20 individuals in the United States in connection with these phone scams. The U.S. said that it would be seeking extradition of individuals from India involved with the phone scams.