



Providing Consumer Guidance to Beaver County, PA Residents Since 1975

Alliance for Consumer Protection

ACP Newsletter

January 2024

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We're here to help all
Beaver County PA residents with
consumer issues & disputes,
online security, credit issues,
budgeting, and more.

Call us today for an appointment
to discuss your situation.

724-888-5931

All our Services are Free & Confidential



DID YOU KNOW . . .

While almost three quarters of Americans say they have a monthly budget, 84% of them say they overspend, and 44% of those put the additional spending on a credit card,¹ adding to their debt.

Some of the overspending is due to an unanticipated rise in costs. We've all experienced that this past year. And some is due to unexpected emergencies. But often, the problem lies in the fact that the budget itself was missing some commonly overlooked items.

If you're one of the 84% of Americans who say that, despite having a budget, you're still overspending, check out the article on page 6 to see where the gaps might be.

While we research our articles thoroughly and strive for accuracy, they are not intended to provide in-depth information or to endorse or warrant the accuracy of all data. We hope they will broaden your awareness of the issues we mention, and as always, we urge you to do your own research. Enjoy!



Watch Out! **Tax Scammers are on the Loose**

The bad guys are out in force this tax season, just waiting for a chance to steal your refund, your tax return, and identity. Be on the lookout for scams and nip the bad guys' plans in the bud.

To protect yourself from tax scams, it's crucial to be cautious with personal information, always use secure methods of communication with tax authorities, and verify the legitimacy of any communication claiming to be from tax agencies or professionals. If in doubt, consult with a reputable tax professional or contact the relevant tax agency directly.

Phishing Emails or Websites

Scammers send emails or set up fake websites that *appear* to be from legitimate tax authorities, such as the IRS. They request sensitive information, such as Social Security numbers or bank details.

Phone Scams

Fraudsters make unsolicited calls, posing as IRS agents. They might use threatening language, claim that you owe back taxes, and demand immediate payment over the phone.

Tax Preparer Fraud

Some unscrupulous tax preparers may inflate deductions or claim credits you're not eligible for, leading to inaccurate returns. Always choose a reputable tax professional.

Social Security Number Scams

Scammers claim that your Social Security number has been suspended or compromised. They often threaten arrest or legal action unless you make immediate payments.

Ghost Preparers

These are tax preparers who don't sign the returns they prepare. They may promise large refunds but then disappear after filing fraudulent returns.

Inflated Refund Claims

Some tax preparers promise unrealistically high refunds to attract clients. They may encourage clients to inflate deductions or claim credits improperly.

And there are *MORE!* See p. 3

MORE Tax Scams!

In addition to the tax scams listed on the previous page, pay attention to these Federal Trade Commission and IRS warnings regarding tax preparer scams. . .



Here are some protective measures they suggest to help you stay safe:

SAFE GUARD YOUR MAIL: W2 earning forms are usually mailed by January 31. Thieves can steal this important document from unlocked mail boxes. If you can, lock your box. If not, be sure to keep a close eye on your mail and collect it daily as soon after delivery as you can.

CHOOSING TAX PREPARERS: Tax preparers will have access to your personal and financial information. Be cautious in choosing professional tax preparers and resist ads for unknown persons who make tempting promises.

BEWARE OF PROMISES FOR LARGER TAX REFUNDS: The IRS has reported that phony 1099's or W-2's forms or other documents might be used to lower taxable income. The IRS will give special scrutiny if claims are filed with zero wages or income. Some tax preparers may be tempted to use inappropriate deductions in order to achieve a promise of larger refunds.

INSTANT REFUND SCAMS: Tax preparers may promise "fast money" or "instant refunds." It generally takes about 21 days for refunds if returns are electronically filed. Paper returns could take up to six months for refunds. If a preparer promises an "instant refund," tax payers should be aware that they are really borrowing the amount of the refund at very high interest rates. If tax payers use electronic filing, any refund will be directly deposited into a payer's bank account faster without any charges.

TAX PREPARER SCHEMES: Claims for deductions may be made which are not supportable and would be denied. Some preparers may have the tax payer sign a blank return and then prepare two returns, one shown to the tax payer with a smaller refund and one with a larger refund claim which is the one submitted to IRS. If this procedure is followed the preparer will keep the refund difference in the two returns.

TAX PREPARER COST: Before engaging a tax preparer ask what will be the cost for preparing the tax return. Avoid preparers who base their fee on a percentage of the refund amount. Also ask if they will stand behind their work and will represent you for an audit or for IRS questions.

ATTEMPTS TO STEAL PERSONAL INFORMATION: Do not provide personal or financial information on the phone, email or by letter. IRS does not initiate contact with tax payers. Verify request source by calling IRS, bank or credit card company on their phone number.

Filing by yourself? See p. 5 for links to the highest-rated tax preparation programs.

Get a Jump-Start on Your Taxes

Whether you are preparing your income taxes yourself or hiring a professional, you can save yourself time, energy and frustration by gathering everything you need before you begin. Look through the following checklist and collect all of the items that you think you, or your preparer, will need:

Personal Information

Social Security Numbers: Yours, your spouse's (if applicable), and those of any dependents.

Income Statements: W-2 forms for employment income, 1099 forms for other income sources (freelance, contract work, dividends, interest, etc.).

Deductions and Credits

Expense Records: Receipts and records for deductible expenses, such as medical expenses, property taxes, mortgage interest, and charitable donations.

Educational Expenses: Form 1098-T for tuition paid, student loan interest statements (Form 1098-E), receipts for educational expenses.

IRA Contributions: Records of contributions made to traditional and Roth IRAs.

Health Savings Account (HSA) Contributions: Records of contributions made to HSAs.

Childcare Expenses: Receipts and records for childcare expenses paid.

Business Expenses: If you're self-employed, gather receipts and records of business-related expenses.

Home Office Expenses: If you work from home, gather records of home office expenses.

Other Income

Income from Investments: Statements for income generated from investments, like dividends and interest.

Rental Income: Records of rental income received.

Social Security Benefits: SSA-1099 form for Social Security benefits received.

Miscellaneous Income: Any other income sources like gambling winnings, jury duty pay, or prizes.

Health Insurance

Form 1095-A, 1095-B, or 1095-C: Statements from your insurance provider verifying your coverage.

Other Documents

Previous Year's Tax Return: Sometimes needed for reference.

Bank Statements: Records of any income-earned from interest.

Direct Deposit Information: If you're expecting a refund and want it deposited directly into your bank account

Proof of Estimated Tax Payments: If you made estimated tax payments throughout the year.

Always consult with a tax professional or refer to the IRS guidelines if you have specific questions about what documents you need to gather based on your individual tax situation. Keep your documents organized and, if possible, create digital backups to ensure you have a smooth tax filing experience.

Debt Busters

Use the Popular “Snowball Method “ to Pay Off Credit Cards Debt



Why is “The Snowball Method” one of the most popular ways to reduce credit card debt? Because, like a snowball rolling down a hill, it picks up speed and grows more powerful as it goes. It lets you see solid, steady progress and ends with more cash to apply to remaining debt. Here’s how it works.

First of all, you make a list of all your credit card balances, including store charge cards, starting with the highest balance and working down to the smallest one.

Example:

Citi	\$3,000
Chase	\$2,448
Wells Fargo	\$1,230
Retail Store	\$ 700

Starting with the smallest balance - in this case, the retail store balance of \$700 - pay as much as you possibly can above the minimum due, even if it’s only an extra \$10-20. **Be sure to continue paying the minimum on all your other cards.**

Keep this up every month until the account with the lowest balance is completely paid. Make a commitment not to use it again while you are paying it down except for a genuine emergency. Consider celebrating your achievement by cutting it up and tossing it out once it’s paid off.

Now you’re ready to take on the next smallest balance. Use the money you were paying on the card you paid off to make larger payments on this one. Then, rinse and repeat, until all your cards are at 0.

TOP-RATED TAX FILING SOFTWARE

Trying to decide which tax preparation software best suits your needs? We looked at several reviews and found a lot of helpful information, including prices (which range from 0 - 119) the pro’s and con’s of each, and which packages are best for categories such as self-employed and freelancers, and which is the best free package.

Overall, the top choices were **Turbo Tax by Intuit** and **H&R Block**, both of which have free versions for simple returns. Runners-Up included Cash App Taxes, Tax Slayer, and Tax Act .

For an easy-to-read quick summary, take a look at **7 Best and Cheapest Online Tax Software Options in 2023** Another good summary is CNBC’s **Best Tax Software of 2023**.

If you would welcome a more in-depth analysis, check out Nerd Wallet’s **Best Online Tax Software for December 2023 and CNET’s Best Tax Software for 2023**

Nerd Wallet also offers a **guide to the IRS’ Free File** program. CNET offers **Taxes 2023 Cheat Sheet: A Guide to Filing Your Tax Return**.

There's a Hole in My Budget! And It's Leaking Money!

January is the ideal time to look at the year ahead and create a budget to keep you on track for meeting your financial goals.

But if you're among the 84% of Americans with a monthly budget who find that they're still spending more than they had planned, it could be that some expenses slid right past your notice when you created your last budget. Usually these are small things that you think of as ordinary out-of-pocket expenses, but some can be larger, and even the smaller things add up.



A good way to start sleuthing them out as you prepare to draw up this year's budget is by taking a look at your checking and credit card statements for the past year. Print them out and circle any recurring expenses that managed to hide from your budget last year, normal expenses that you didn't take into consideration.

Another excellent way to track down items that you may want to plan for going forward is to think about what kinds of things happen in your life month by month, or seasonally. Yearly planners are on sale now and it's a big help to use one to jot down monthly, quarterly, semi-annual, and annual bills that come due, as well as family events and anticipated appointments.

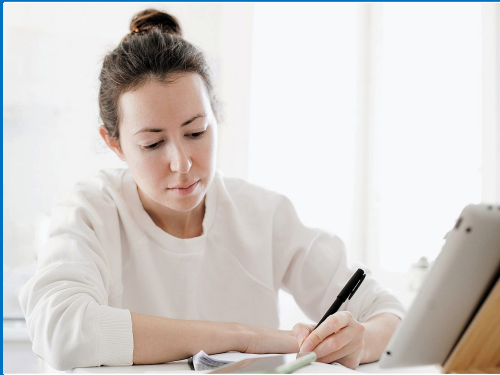
Write in the dates of things relevant to your family, such as school expenses (school clothes and materials, field trips, fund-raisers, musical instrument rentals, costumes, sporting equipment, uniforms, tickets to events, extra child care in summer), work-related expenses, dental and optical care, pet care (grooming, vaccinations, flea and tick meds) birthdays, anniversaries, upcoming weddings and associated gifts and travel, cultural, sporting and recreational tickets, equipment, memberships and fees, seasonal festivals, decorations and treats.

Note when your car's inspection is due. Will you need new wiper blades? Brakes? Tires? When will you need oil changes?

Write in normal home and garden care items. Lawn care? Snow removal? Pool maintenance? Gutter clean-out? Furnace inspection? Homeowner Association dues? Seeds, shrubbery, trees, tools, fencing?

Once you have written down when all these miscellaneous items will occur, you're ready to put them into whatever categories make sense to you, add them up, and decide when you will put money toward each of them or pay them, scheduling your payments in your planner, too.

A little effort expended now can save you from adding hundreds to your credit card debt over the course of the coming year, and move you that much closer to your larger goals.



IS AN “OFFER IN COMPROMISE” RIGHT FOR YOU?

If you're faced by major illness or disability, job loss, divorce, deaths or bankruptcy, you may be unable to pay your tax bill. The IRS offers a settlement for people with such genuine hardships.

Many financial firms advertise their ability to arrange an “Offer in Compromise” (OIC) with the IRS, promising you will pay pennies on the dollars owed. But be careful. While many of these OIC companies are legitimate, some may make false promises of success with the IRS and charge taxpayers high fees for their services. You can negotiate a tax settlement with the IRS yourself without the services of an OIC company. But if you choose to use one, do your due diligence first and check out their credentials.

Less than half - 41% of application appeals, are accepted - chiefly because the applicant does not qualify for this procedure. To avoid the mistake of employing a company to handle the OIC application with extensive up-front fees, you can check directly with the IRS, without charge, to see if your situation qualifies for the compromise policy. Their pre-qualification page is here: https://irs.treasury.gov/oic_pre_qualifier/ On the same page, they also offer a free downloadable booklet with all the information you need to consider before applying.

For example, normally an accepted OIC will reduce the amount of taxes you owe but successful applicants lose their right to tax credits, which could result in higher taxes due in future years.

The IRS will not accept an OIC unless the money offered is equal to or greater than the reasonable collection potential, a procedure used to assess the taxpayer's ability to pay based on income and realistic monthly expenses.

If you meet the pre-qualification process, read the free booklet mentioned above. It may well be worth your time to give this option some serious consideration.

For a more in-depth look at the how the Offer in Compromise works, how to qualify and things to know about the program check out <https://www.nerdwallet.com/article/taxes/irs-offer-in-compromise-basics-and-who-qualifies>

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Chocolate Dangers

My Hot Cocoa has *WHAT* in it?

On blustery winter nights, who doesn't love a cup of rich, smooth hot cocoa? But before you pour one, beware! Last year Consumer Reports¹ tested six popular hot chocolate mixes for levels of lead contamination, using California's limit as its standard since no federal standard has been set.

Four of the six had levels higher than the standard deemed safe. **Nestle's Rich Milk Chocolate Flavor Hot Cocoa Mix** tested at 108% of the amount of lead that California limits. **Trader Joe's Organic Hot Cocoa Mix** surpassed the standard by 112%. **Starbucks' Classic Hot Cocoa** came in at 159% above the standard. And **Walmart's Great Value Milk Chocolate Flavor Hot Cocoa Mix** soared above the standard by a whopping 345%.

Lead can cause developmental problems and affect brain development in young children and the unborn. For adults who are frequently exposed to it, lead can trigger hypertension, immune system suppression, kidney damage, and reproductive issues.

More Dangers - and some Good News

The problem isn't with cocoa mixes alone. Recent testing revealed high lead levels were found in a third of the other chocolate products tested as well, including candy bars, mixes for brownies, and cake mixes. The good news is that the culprit tends to show up in dark chocolate much more than in milk chocolate. That's because milk chocolate has less cacao in it, and that's the ingredient that contributes the lead and other heavy metals. For a complete list of products tested, their rankings, and suggestions on how to enjoy chocolate treats safely, see the [Consumer Reports article here](#).

Still need a chocolate fix?

Fortunately, Consumer Reports also named seven products it found to be **safer options**²:

Ghirardelli Premium Hot Cocoa Mix
Navitas Organics Organic Cacao Powder
Sam's Choice Dark Chocolate 85% Cocoa Bar
Ghirardelli Premium Baking Bittersweet Chocolate Chips 60% Cacao
Lindt Classic Recipe Milk Chocolate Bar
Betty Crocker Fudge Brownie Mix
Great Value Devil's Food Chocolate Cake Mix

Shop wisely and enjoy!

Sources

1. <https://www.consumerreports.org/health/food-safety/a-third-of-chocolate-products-are-high-in-heavy-metals-a4844566398/#hot-chocolate-mixes>

2. [7 Safest Chocolate Products in Stores Right Now \(eatthis.com\)](#)

ACP'S WINTER WORKSHOPS

All workshops are presented by Dr. Kimberly Underwood, ACP's Executive Director, at the Center Campus of Community College of Beaver County, PA and are open to the public free of charge.

Please call us (724-888-5831) for the room number and to let us know how many will be attending.
Thank You!

Thursday, February 22, 6-7pm - Financial Literacy

Explore the foundations of personal finances and paying off debt faster in this eye-opening course. We give you tools to make healthy financial decisions with monthly expenses in the budgeting portion of our class. Also, we will shed light on how to make good decisions regarding paying off debt more quickly, saving on interest you pay, overall.

Friday, February 23, 12-1pm - Raise Your Credit Score

Learn all the essentials to get started improving your credit score. The journey begins with details about getting access to your credit score on a constant (free!) basis and getting your credit report. Discussion continues with deciphering how to read your report and identifying problems that can be repaired. We finish the course with strategies to get your score moving upward and to dispute inaccuracies that might be keeping your score low.

Friday, March 8 Noon-1pm - Online Security and Strong Passwords

Examine common internet and email security issues we all face today. Learn the important rules to follow when considering whether to click on a link or email attachment. Develop solid strate-

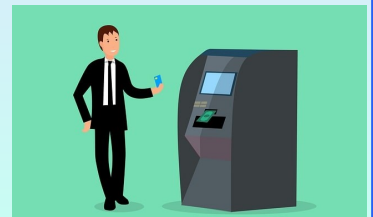


ATM SAFETY TIPS

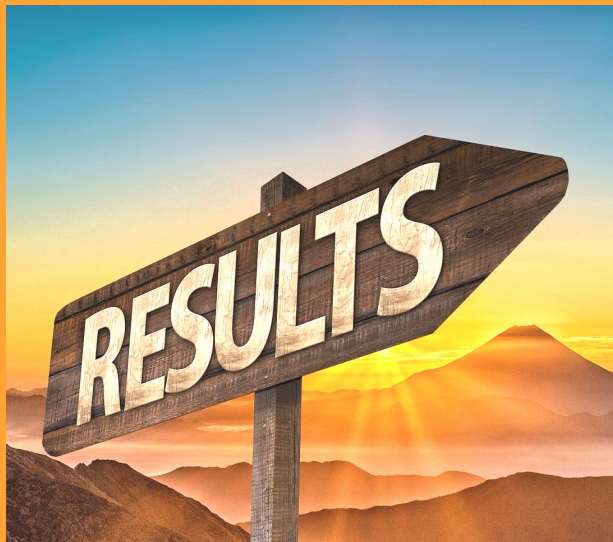
Courtesy of Citibank N.A.

Always treat your debit and credit cards like they are cash.

- Don't tell your PIN, TAC, or other codes to anyone. Keep them secret.
- Never allow anyone to hold your card as "security" for any reason.
- Don't use your card to show someone how to use an ATM.
- Don't write your PIN on your card or keep it in your wallet or purse.
- Be especially alert and careful when it's half an hour before sunset or later.
- Never display your cash at the machine. Wait until you are in a locked car or other safe place.
- Always take your receipt when you leave; never leave it in or near the ATM.



Mail Only: ATTN OFFICE-ACP * AMBRIDGE TOWERS * 500 BEAVER RD * AMBRIDGE, PA 15003



HAPPY ENDINGS

Annie, let's call her, was struggling with many high-balance credit cards, mainly due to medical bills, and was afraid the only way out was bankruptcy. Because of a disabling health condition, she was limited in her ability to work.

ACP was able to help Annie work with a trusted debt relief agency to get her debt reduced to nearly 50% of her initial balances.

In the next 12-18 months, Annie will be debt free and has a new, effective budget plan that will help her succeed long term.

"Asking for help is never a sign of weakness. It's one of the bravest things you can do."

— Lily Collins, author of *Unfiltered: No Shame, No Regrets, Just Me*

Call us. We're here for YOU! 724-888-5931

What Happens When You Call Us

Calling us is easy! Our friendly voice mail will ask for your name and number, and if you want, a brief description of the issue you're calling about. As soon as we can—normally within one day—we'll call you back to chat about your situation and tell you if we can help.

Many consumer issues can get a little complex. And if yours is one of those, we'll work with you to set up a meeting. Maybe we can do everything by phone. Maybe we'll want to meet face-to-face at a public location, such as a library or a restaurant, near you. Step by step, we will work with you until your way forward is clear.

And it all starts with a phone call from you: **724-888-5931**

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