

Scam Using IRS Name Dupes Charlotte Minister

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A Charlotte minister spent an excruciating nine hours on the phone Tuesday with an IRS impersonator who scammed him out of \$16,500.

This Story Is His Warning To Others.

The Rev. Al Cadenhead, 67, senior pastor at Providence Baptist Church, said he is risking public embarrassment in the hope of preventing anyone else from being duped. Hang up the phone, he says, if someone says they're from the IRS and demands immediate payment.

The Internal Revenue Service never calls to demand immediate payment.

You may wonder how Cadenhead could possibly have been tricked out of his money again and again over nine hours. He wonders that, too.

"The natural question I raise about myself is how can you be so gullible and naive and let this happen?" Cadenhead said. "The reason is: This scam was so sophisticated and efficient and thorough, you're in the middle of it before you realize what's happening."

The Treasury Inspector General for Tax Administration has received more than 180,000 complaints over the past year. It has documented 1,800 victims with \$10 million in losses.

“The volume of complaints ... is unprecedented in TIGTA’s 15-year history,” said Timothy P. Camus, deputy inspector general for investigations. A spokesperson would not say whether the agency is investigating or why the scam has been able to continue so long.

Former Carolina Panther Frank Garcia is among the victims. He lost \$8,000 six months ago.

“The way they manipulate you, you’re not thinking straight,” Garcia said. “I was trying to do the right thing, and I had an image to uphold. I had filed for an extension and thought it could easily be a possible mix-up.”

Garcia hung up on the impersonators after they demanded more money. As has happened with many victims, they called him back pretending to be from law enforcement. He said he later called back the number displayed on his phone and it was local law enforcement.

Garcia and Cadenhead said the impersonators threatened them so much, they were scared not to comply.

Threats And Manipulation

Cadenhead’s ordeal began on his drive to work Tuesday. He noticed a voicemail message on his iPhone 5. The caller identified herself as being with the legal department of the IRS. She said Cadenhead should contact her immediately or have his attorney call. Cadenhead called.

“A lady came on and said my tax returns had been audited and there had been serious miscalculations,” Cadenhead said. Whenever he asked a question, he said, she barked at him:

“Do not interrupt me. I have to finish.”

She told him to take notes. He said he was driving. She told him to pull over.

She said the IRS had a warrant for his arrest, was charging him with tax fraud and was going to put a lien against his house, freeze his accounts and notify the media.



She said the IRS tried to contact him several times and even delivered a notice to his house. He said he never got the notice. She said she had a photograph of a man making the delivery at his front door. He asked to see the photograph. She said he couldn't – that it would be used as evidence against him in court.

“They had an answer for every question I raised,” he said.



Cadenhead has been a pastor 46 years, first in Georgia, where he grew up, then later in High Point and for the past 17 years at Providence Baptist on Randolph Road. “I’m 67 years old, and I’ve never even had a traffic ticket,” he said.

He is six months from retirement, and he said threats of jail and the disgrace it would bring to his church clouded his judgment. He felt desperate.

A Convincing Scam

The woman told him it would cost him \$72,000 to resolve. The actual miscalculation, she said, was \$4,900. “But you did not respond, so it’s a felony. You need to be prepared to go to jail.”

Cadenhead said he offered to pay the \$4,900 immediately. She transferred him to her “superior,” who identified himself as “Steve” and continued the threats.

Steve said the IRS only accepts government-approved Green Dot MoneyPaks, a type of prepaid debit card. And this: “Do not break this call. If this connection is ever broken, everything is void. That means every 30 seconds, you must verify that you are on the line. You must not discuss this with anybody.”

For nine hours, Cadenhead held on, charging his phone battery as he drove around town. Every 30 seconds he checked in.

He went to Wells Fargo and withdrew \$4,900 from a home equity account. He drove to Rite Aid and paid for \$2,500 in MoneyPaks – the maximum allowed at one store. He drove to a second Rite Aid for the balance. He hid his phone in his pocket when he made transactions. He returned to his car and gave the impersonator the 14-digit numbers on the back of the MoneyPaks.

“I’ve never dealt with the IRS,” Cadenhead said. “How was I to know what was normal?”

An IRS news release says: “The truth is the IRS usually first contacts people by mail – not by phone – about unpaid taxes. And the IRS won’t ask for payment using a prepaid debit card or wire transfer. The IRS also won’t ask for a credit card number over the phone.”

Garcia, who hosts a talk show on WFNZ-AM and helps coach Charlotte Catholic football, had a similar experience – up to that point. He spent four hours on the phone, paid out \$8,000 on MoneyPak cards, but he hung up when asked for more.

“Ultimately I just realized this is not the way our government is run,” Garcia said. “We have rules and laws for a reason.”

Cadenhead did not hang up.

Don’t Pay Over The Phone

To make a very long story short, the IRS impersonator kept upping the ante. Cadenhead returned to the bank two more times, borrowing a total of \$16,500. His banker questioned what was going on, and Cadenhead assured her the withdrawals were legitimate.

He had to drive around to eight different Rite Aids, purchasing the maximum \$2,500 in Green Dot cards at each one.

By late Tuesday afternoon, because of discrepancies in what Steve told him, he worried he had been scammed. That evening, he confided in Les Miller, his attorney and chair of the church deacons. “You have been scammed,” Miller told him. Miller got two voicemails from the same imposters but never called back.

“I hurt for him,” Miller said. “I know it’s not easy.”

On Thursday afternoon, an Observer reporter telephoned the number that Steve called from - still displayed on Cadenhead’s phone.

A man with a foreign accent answered. “Thank you for calling the legal department of the Internal Revenue Service.” Asked to identify himself, he said, “This is Officer Steve.”

After the reporter identified herself and why she was calling, he hung up.

That’s what you should do if anyone calls impersonating the IRS.

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Read more here: <http://www.charlotteobserver.com/2014/10/31/5278918/irs-scam-dupes-charlotte-minister.html#.VHPEG6PwtaQ#storylink=cpy>