

Facebook Helps IRS Catch Violations of Tax Law

by Joseph M. Donegan on March 6, 2013

The Internal Revenue Service is pulling out all the stops to detect and prosecute Americans who violate tax law, and social media is helping the agency catch many criminals in their tracks.

Many people are implicated in crimes due to information they post on social media websites, and one woman who committed tax fraud has the posts she made on Facebook to thank for her prosecution. An ongoing IRS investigation into the nearly two million-dollar tax fraud case of Rashia Wilson has been largely facilitated by posts she made on Facebook, according to CPA Practice Advisor magazine. Officials say Wilson - a self-proclaimed income tax fraud pioneer who instructed others on how to defraud the IRS - made a number of comments and posts on the social networking site that eventually led to searches of her home, her computers and Facebook accounts.

For example, in one post, Wilson presented an image of herself smiling with an oversized jewel-encrusted pendant and hoards of cash. She also included a caption that sought to mock the IRS.

"YES I'M RASHIA THE QUEEN OF IRS TAX FRAUD," the post read, according to CPA magazine. "IM' A MILLIONAIRE FOR THE RECORD SO IF U THINK INDICTING ME WILL BE EASY IT WONT I PROMISE U!"

Seven months following the post, Wilson was indicted on 57 counts of tax fraud, the news source reports.

Information publicly posted on social media websites has been increasingly used in legal matters, ranging from tax investigations to divorce proceedings. Although privacy laws may exist regarding social media content, information that is posted publicly is generally fair game in court cases. The IRS is establishing a stronger network for detecting tax law violations, ranging from technological advancements to catch reporting errors to global agreements made to limit offshore banking abuse.