

# Michigan Department of Treasury

Discovering Fraudulent W2s

August 2008

# What you can verify

- Compare E-Filed wages against wage amounts reported in Unemployment Insurance Agency (UIA).
- That the individual is not in the UIA database.
- That the employer is not in the UIA database.
- That the employer is not registered for withholding tax.

# Areas of Fraud on W2's

- Excessive withholding when compared to the wages.
- Multiple state wages and withholding appear on W2.
- Total wages for multiple states do not add up to wages reported in box 1.
- Taxpayer name on W2 does not match name on IIT return filed.
- Employer's FEIN does not match company name on W2 from taxpayer. This can be done checking registration.
- Taxpayer does not work for the company listed on W2.
- Wage amount on W2 does not match wage amount reported by employer.

# Names do not match

Michigan Department of Treasury (Rev. 10-07), Page 1  
**2007 MICHIGAN Individual Income Tax Return MI-1040**  
 Returns due April 15, 2008.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: 147

FACE LABEL HERE	1. Taxpayer's First Name <b>DAVID</b>	2. Filer's Social Security No. (Example: 123-45-6789)
	3. Filer's Last Name <b>BENON</b>	4. Filer's Social Security No. (Example: 123-45-6789)
	5. Home Address (No. Street, P.O. Box or Rural Route)	6. School District Code (See p. 45)
	7. City or Town <b>DETROIT</b>	8. State <b>MI</b>

**MILITARY FAMILY RELIEF FUND**  
**CHILDREN'S TRUST FUND**  
**CHILDREN OF VETERANS TUITION GRANT PROGRAM**

**5. STATE CAMPAIGN FUND**  
 Check this box if you (or your spouse, if filing a joint return) want \$5 of your taxes to go to this fund. This will not increase your tax or reduce your refund.  
 a. You  Yes  No  
 b. Spouse  Yes  No

**6. FARMERS, FISHERMEN OR SEAFARERS**  
 Check this box if 50% of your income is from farming, fishing or seafaring.

**7. FILING STATUS.** Check one.  
 a.  Single  
 b.  Married, filing jointly  
 c.  Married, filing separately

**8. RESIDENCY.** Check all that apply.  
 a.  Resident  
 b.  Nonresident\*  
 c.  Part-Year Resident\*

**9. EXEMPTIONS**

a. Number of exemptions you claimed on your 2007 federal return	1	x \$3,400	3,400
b. Number of individuals 65 or older who qualify for a special exemption	0	x \$2,200	0
c. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, or totally and permanently disabled	0	x \$2,200	0
d. Number of children ages 18 and under you claimed as Michigan exemptions	0	x \$500	0
e. If your unemployment compensation is 50% or more of your Adjusted Gross Income (amount claimed on line 10) check the box and enter \$2,200	<input type="checkbox"/>	\$2,200	0
f. If someone else can claim you as a dependent, check the box, complete Worksheet 2 on p. 10, and enter the amount from the worksheet	<input type="checkbox"/>	(+)	0
g. Add lines 9a, 9b, 9c, 9d, 9e, and 9f. Enter here and on line 15			3,400

10. Adjusted gross income from your U.S. 1040, 1040A, 1040EZ or 1040NR (see p. 10) **10,961**

11. Additions from Michigan Schedule 1, line 7. Attach Schedule 1 **0**

12. Total. Add lines 10 and 11 **10,961**

13. Subtractions from Michigan Schedule 1, line 21. Attach Schedule 1 **0**

14. Income subject to tax. Subtract line 13 from line 12. If line 13 is greater than line 12, enter "0" **10,961**

15. Exemption allowance. Enter the amount from line 9g or Schedule NR, line 20 **3,400**

16. Taxable income. Subtract line 15 from line 14. If line 15 is greater than line 14, enter "0" **7,561**

17. Tax. Multiply line 16 by 4.01% (.0401). Enter here and carry amount to line 18. **303**

**DIRECT DEPOSIT**  
 Deposit your refund directly into your bank account! See p. 11 and complete a, b and c.

a. Routing Transit Number **073972181**  
 b. Type of Account  Checking  Savings  
 c. Account Number **074101824675**

2007 MICHIGAN Tax Return W2 Information  
 2007 W2

Employer identification number <b>410215170</b>	Employee's SSN <b>REBA PRICE</b>
Employer's name <b>TARGET CORPORATION</b>	Employee's name <b>REBA PRICE</b>
Employer's street address <b>PO BOX 9401</b>	Employee's street address <b>14000 LAMAR</b>
Employee's city <b>MINNEAPOLIS</b>	Employee's city <b>DETROIT</b>
State <b>MN</b>	State <b>MI</b>
ZIP Code <b>55440</b>	ZIP Code <b>48213</b>

1 Wages, tips, other compensation	10,961	2 Federal income tax withheld	2,230
3 Social security wages	10,961	4 Social security tax withheld	980
5 Medicare wages and tips	10,961	6 Medicare tax withheld	456
7 Social security tips	0	8 Allocated tips	0
9 Advance EIC payment	0	10 Dependent care benefits	0
11 Nonqualified plan	0		

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
MI	ME0257423	10,961	1,635	10,961	680	DETROIT
		0	0	0	0	
		0	0	0	0	
		0	0	0	0	

# Suspicious W2

2007 MICHIGAN Tax Return W2 Information

2007

W2

Employer identification number 590324412			Employer's SSN -		
Employer's name PUBLIX			Employer's name PATRICIA LOWERY		
Employer's street address 3300 PUBLIX CORP PARKWAY			Employer's city and address CLARK STREET		
Employer's city LAKELAND	State FL	ZIP Code 33811	Employer's city MONTGOMERY	State AL	ZIP Code 36108

1 Wages, tips, other compensation	30,246	2 Federal income tax withheld	8,367
3 Social security wages	30,246	4 Social security tax withheld	393
5 Medicare wages and tips	30,246	6 Medicare tax withheld	257
7 Social security tips	0	8 Allocated tips	0
9 Advance EIC payment	0	10 Dependent care benefits	0
11 Nonqualified plans	0		

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
GA	2139736RY	30,521	2,532	0	0	
LA	611453330	21,523	2,023	0	0	
MI	032759000	17,534	1,638	0	0	
		0	0	0	0	

Multiple States

Sum of wages

# Contacting the Taxpayer

- Ask for copies of the original W2's.
- Ask for pages 1 and 2 of the Federal 1040.
- Call the employer to verify the employee worked for the company and confirm the wage amount.
- Most fraud returns do not respond to our requests for documentation.
- If no response to request for documentation, the IIT return refund is stopped.