

News Release

Office of the Comptroller Launches Secure Portal to Report Suspected Business Tax Fraud

New form streamlines reporting process for Marylanders and enhances efficiency of investigations

ANNAPOLIS, Md. (June 27, 2024) — The Maryland Office of the Comptroller today announced a [new secure portal](#) that Marylanders can use to make reports of suspected tax fraud. This new tool will support the agency's efforts to close the more than \$2.6 billion known tax gap in Maryland. Individuals can also submit referrals under Maryland's [Whistleblower Reward Program](#).

The new portal provides a central point on the Comptroller's website for members of the public to report suspected business tax fraud. The new tool also streamlines the process of tracking tips for the agency's Compliance Division.

"We are constantly innovating and modernizing to ensure that we can seek out fraud and make tax scofflaws pay their fair share. This new reporting tool is an important addition to our agency's arsenal against tax fraud and evasion," **Comptroller Brooke E. Lierman** said. "I applaud the work of our Compliance Division and its continued commitment to fairly enforcing our tax laws. We ask Marylanders to come forward with any information that they have, to ensure we can bring businesses acting in bad faith back into compliance."

During the coming months, the Office of the Comptroller will add at least 25 new staff members to assist with tax audits and collections. The agency is also working to implement new initiatives to analyze revenue opportunities from businesses and individuals participating in the digital economy.

Some businesses evade their tax responsibilities through various methods, including concealing profits, paying employees in cash, filing false payroll tax returns, failing to collect payroll tax from employees, failing to submit withholding taxes, and misclassifying employees as independent contractors.

“This new portal allows us to improve efficiency internally, harnesses technology to empower Marylanders, and furthers our efforts to level the playing field for all taxpayers through aggressive and fair enforcement,” said **Edward Wykowski**, director of the Compliance Division. “We remain committed to open communication and collaboration with the public to ensure interactions with businesses in Maryland are equitable and that everyone fulfills their tax obligations to the state.”

Business tax fraud should be reported, and possible fraud indicators include:

- An employer fails or refuses to provide W-2 or 1099 tax documents;
- Businesses are improperly misclassifying workers as contractors;
- A business is failing to report or is underreporting its income or sales;
- A business fails to pay or withhold taxes from employee paychecks;
- A business refuses to provide receipts and/or demands payment in cash;
- Sales tax is not correctly listed on a receipt provided by a business; or
- A business is falsifying its tax filings to evade taxes.

Once a tip is submitted, the Compliance Division will review the information, and if the complaint is determined to warrant further investigation, the division will refer the tip for an audit or investigation. If the complaint moves forward, an auditor or investigator with the Office of the Comptroller may contact the submitter for additional information, provided the information was not submitted anonymously.

For submissions made under the Whistleblower Reward Program, the complainant or their representative may be contacted for additional information or to discuss the next steps, where the submission reveals a legitimate underpayment of tax. If the submission does not meet the requirements of the program, the complainant or their representative will receive a letter from the Office of the Comptroller advising that the matter will not be pursued further.

Tips that result in an investigation that rises to a criminal level may be referred to the Office of the Attorney General for potential prosecution.

Tips about personal income tax fraud should be submitted via email to compliance@marylandtaxes.gov.

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