Course Title

Criminal Tax Investigations (IRS CID & DOJ): What Really Happens When the IRS Comes Knocking — Your Rights, Risks, and Responsibilities

Course Description

When IRS Criminal Investigation (CI) or the Department of Justice (DOJ) becomes involved, the stakes are no longer about audits or penalties, but they are about liberty, reputation, and the survival of a tax practice. Most tax professionals don't understand the moment when an issue stops being "civil" and becomes criminal. And by the time IRS CI knocks on the door, it's already too late to improvise.

In this eye-opening session, Attorney Josie Harris-Walton, one of the nation's leading criminal tax attorneys for tax professionals, breaks down exactly what happens inside a criminal tax investigation. She will start from the first suspicious return, to the knock on the door, to the federal prosecutor reviewing evidence. Participants will learn how IRS Criminal Investigation Department builds cases, how tax preparers become targets, and what actions immediately increase criminal exposure.

Through real-life case scenarios involving return preparer fraud, due diligence failures, EFIN misuse, bank deposit analysis, and conspiracy charges, and more, attendees will understand the warning signs, the investigative techniques, and the critical steps to take (and not take) when contacted by IRS CI or DOJ.

This course is essential for any tax professional who wants to protect themselves, their clients, and their practice when the IRS elevates a matter to criminal.

Learning Objectives

1. Understand When an Issue Becomes Criminal

- Identify the red flags that trigger an IRS CI referral.
- Recognize the difference between audits, CI investigations, and DOJ prosecutions.
- Understand the role of informants, whistleblowers, and suspicious preparer activity reports.

2. Learn How IRS CID Builds a Criminal Case

- Understand the methods IRS CI uses: bank records, undercover interviews, social media monitoring, and return pattern analysis.
- Describe how Special Agents gather statements, documents, and third-party evidence.
- Learn how preparer actions, office practices, and client complaints become part of a criminal file.

3. Know Your Rights When IRS CI or DOJ Contacts You

- Understand the difference between a witness, subject, and target.
- Identify constitutional rights, including the right to counsel and the right to remain silent.
- Learn what to do and what not to do when Special Agents arrive unannounced.

4. Recognize the Criminal Exposure for Tax Professionals

- Understand common criminal charges:
  - 26 USC § 7206(2) — aiding and assisting
  - 18 USC § 371 — conspiracy
  - False returns, false statements, wire fraud, obstruction
- Identify how due diligence failures, EFIN misuse, inflated credits, and unreported income can become criminal conduct.

5. Prepare for Real-World IRS Encounters

- Learn step-by-step what happens during a Special Agent interview.
- Recognize the difference between administrative summonses, grand jury subpoenas, and search warrants.
- Identify early warning signs that a preparer is under investigation.

6. Build a Criminal-Prevention Framework Inside Your Practice

- Implement policies that prevent employees or clients from creating criminal exposure.
- Understand how to document compliance to protect your EFIN, PTIN, and practice.
- Establish communication procedures for any IRS contact to ensure immediate legal intervention.

7. Know How DOJ Prosecutions Work

- Understand how cases are referred from IRS CI to DOJ Tax Division to Grand Jury to Indictment to Imprisonment.
- Identify the stages of the criminal tax process: investigation, prosecution, plea, trial.
- Recognize sentencing factors, restitution, and collateral consequences for preparers.