TheWaltonFirm

Course Title

IRS Due Diligence & Compliance: How to Protect Your Practice from Penalties, Audits, Injunctions, and Criminal Exposure

Course Description

This high-impact session is designed specifically for tax professionals who want to protect their businesses and their freedom from today's aggressive IRS enforcement environment.

Attorney Josie Harris-Walton, nationally recognized as *The TaxPros Attorney*, breaks down what every tax professional must understand about IRS due diligence requirements, compliance obligations, and the legal consequences of getting it wrong.

Participants will learn how the IRS identifies high-risk preparers, what triggers audits and injunction cases, and how seemingly small compliance mistakes can escalate into civil penalties, injunctions under §7407 and §7408, or even criminal tax investigations by IRS-CID, DOJ or worse imprisonment.

This training turns complex legal concepts into practical, easy-to-apply strategies you can use immediately to safeguard your practice, your license, and your reputation.

Learning Objectives

By the end of this session, participants will be able to:

Due Diligence Mastery

- Understand the IRS due diligence requirements for EITC, CTC/ODC/ACTC, AOTC, and Head of Household.
- Identify the most common due diligence errors that lead to penalties under §6695(g).
- Implement effective systems for documentation, data verification, and client communication.

Audit & Compliance Protection

- Recognize the warning signs and triggers of a Tax Preparer Due Diligence Audit, EFIN/ERO Compliance Audit, and Suitability Review.
- Learn how IRS examiners analyze returns, interview preparers, and determine reckless or willful conduct.
- Apply internal risk-reduction strategies to pass IRS audits with confidence.

Avoiding Civil & Criminal Exposure

- Distinguish between civil violations (penalties, injunctions) and criminal prosecution (false returns, conspiracy, aiding and assisting).
- Understand the legal statutes the IRS uses to pursue tax preparers, including 26 USC §7407, §7408, and §7206(2).
- Learn how poor due diligence, unverified information, or improper EFIN use can escalate into CID involvement.

Practice Protection Strategies

- Develop a compliance shield: policies, checklists, engagement letters, and internal controls.
- Strengthen your firm's data security, advertising practices, staff oversight, and workflow documentation.
- Learn how to work with a tax attorney early to prevent penalties, protect your EFIN, and avoid criminal exposure.

Real-World Case Studies

- Review real cases where tax professionals faced penalties, injunctions, or criminal charges and what could have prevented it.
- Analyze examples of preparer errors that triggered IRS investigations.
- Learn practical, real-life strategies to protect yourself before a problem becomes an IRS case.