

PUBLICATION

IRS to Add More Criminal Investigators – Know What to Do when Visited by an Agent

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The IRS Criminal Investigation Division (CID) recently announced it is hiring a slew of new special agents, with the number rumored to be anywhere from 90 to 250. With this move, the IRS is sending a message that they intend to conduct more criminal investigations and seek more criminal indictments.

IRS CID special agents are charged with investigating potential criminal violations of the Internal Revenue Code and related financial crimes including tax fraud, public corruption, cybercrimes, narcotics, terrorism, and much more. These agents are duly sworn federal law enforcement officers (i.e., they carry guns and have the power to arrest). They can, and will, show up at a place of business or a personal residence to ask questions or serve a search warrant.

So what should you do if an IRS special agent, or any IRS representative for that matter, shows up at a business or a personal residence and asks if they can speak to you? Say "hello," take the agent's business card and advise the agent that your attorney will contact the agent. Do not speak to the agent without counsel present.

It is also important to remember that a certified public accountant (CPA) does not have the same privileges as an attorney, so you should not direct the questions to a CPA. Too often, individuals will answer questions or provide documents to the IRS and then contact their attorney. This can put you and your attorney at a disadvantage and lead to additional taxes owed and additional professional fees. It is always advised that you speak with counsel before answering any questions or turning over documents. An ounce of prevention is often worth a pound of cure.

For more information on responding to a visit from the IRS, or assistance with tax controversy matters, contact any member of Baker Donelson's [Tax Group](#).