

Tax Pro Ethics – 2023

Be the Judge, Jury and Executioner



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Tax Pro Ethics

You be the Judge, Jury and Executioner

Part I. Who We Are

Introduction:

A. What Is a Tax Professional?

1. A tax professional prepares tax returns and helps clients file income taxes.
2. In this career, your clients may include businesses or individual taxpayers, and most tax professionals tend to specialize in one or the other.
3. Your job duties include computing taxes, gathering financial records, and entering income data.
4. You are also responsible for explaining tax laws to clients and ensuring that you follow all IRS guidelines.
5. As a tax professional, you must be thorough and detail-oriented.
6. This career requires strong analytical skills.

B. How to Become a Tax Professional

1. A tax professional, or tax preparer, files income taxes.
2. The educational qualifications vary depending on the type of tax professional you want to become.
3. If you want to become a tax preparer, you need a bachelor's degree in accounting or a CPA certificate or just be prepared to read, learn and experience the business of tax.
4. You must also be able to demonstrate knowledge of current tax laws.
5. Before you can offer tax preparer services, you must obtain a preparer tax identification number (PTIN) from the IRS.
6. This career requires you to be ethical, accurate, and reliable, so you need a keen eye for detail and strong organizational skills.

7. You also need experience with IRS guidelines.

C. What Software Do Tax Professionals Use?

1. A tax professional prepares taxes for individuals and businesses.
2. These income tax filings must be organized and accurate, so you use software programs to file them.
3. QuickBooks is a software program that people use to perform accounting duties and organize financial data from clients.
4. Tax professionals can also use a number of technical tools to assist them in providing tax preparation and advisory services, including taxpayer representation.

D. Tax Professional Job Description

With this Tax Professional job description below, you can get a good idea of what employers of tax professionals are looking for when hiring for this position.

Do you qualify?

Job Summary

Our company is seeking a Tax Professional to help our customers file their annual tax returns with the Internal Revenue Service (IRS).

- a. This will involve reconciling their income tax documents and helping them find tax deductions.
- b. Our ideal applicant has a bachelor's degree in accounting, certified public accountant credentials, and/or several years of bookkeeping or tax preparation experience.
- c. Since you will be working with people from various backgrounds and finance experience, you need to be a strong communicator.

Duties and Responsibilities

- Schedule appointments with clients
- Advise clients on taxation principles
- Prepare and file tax returns
- Audit returns for accuracy and compliance
- Maintain relationships with clients

Requirements and Qualifications

- A bachelor's degree in accounting
- A CPA license
- Public accounting, bookkeeping, or tax preparation experience
- A valid preparer tax identification number (PTIN)
- Experience with tax software
- Excellent interpersonal and communication skills

Tax Professional's Alert: *There are approximately 800,000 tax professionals in the United States.*

Part II.

Circular 230

I. Procedures To Ensure Compliance

- A. Who is Subject to Treasury Circular No. 230.
- B. The provisions of Treasury Circular No. 230 apply to:
 - Attorneys
 - Certified Public Accountants
 - Enrolled Agents
 - Enrolled Actuaries
 - Enrolled Retirement Plan Agents
 - Appraisers
 - Individuals representing others pursuant to limited practice regulations
 - Individuals giving written advice with respect to any entity, transaction plan or arrangement, or other plan or arrangement, which is of a type the IRS determines to have a potential for tax avoidance or evasion.
- C. The IRS' Office of Professional Responsibility (OPR) may propose the censure, suspension, or disbarment of any practitioner, and the disqualification of any appraiser, from practice before the Internal Revenue Service if the individual is shown to be incompetent or disreputable, fails to comply with any regulation in Circular 230, or with intent to defraud, willfully and knowingly misleads or threatens a client or prospective client.
- D. The OPR may also propose a monetary penalty for an individual, and/or the employer of any individual subject to Treasury Circular No. 230, for violations of Circular 230 if (i) the violations occurred in connection with the individual's activities on behalf of the employer and (ii) the employer knew or reasonably should have known of the individual's conduct.

- E. The following is a summary description of certain obligations under Treasury Circular No. 230. This summary does not address all provisions of the Regulations. You should read the Circular/Regulations for a more complete understanding of the duties and obligations of someone practicing before the IRS. Due Diligence.
- F. You must exercise due diligence in preparing and filing tax returns and other documents/submissions, and in determining the correctness of representations made by you to your client or to the IRS.
- G. You can rely on the work product of another person if you use reasonable care in engaging, supervising, training, and evaluating that person, taking into account the nature of the relationship between you and that person.
- H. You generally may rely in good faith and without verification on information furnished by your client, but you cannot ignore other information that has been furnished to you or which is actually known by you.
- I. You must make reasonable inquiries if any information furnished to you appears to be incorrect, incomplete or inconsistent with other facts or assumptions.
- J. Competence. You must have the necessary knowledge, skill, thoroughness, and preparation for the matter for which you have been engaged.
- K. You may be able to provide competent representation by researching and educating yourself on the issue or by consulting with another tax professional who you know or believe has established competence in the field in question, but in doing so you must consider the requirements of Internal Revenue Code §7216.
- L. Conflicts of Interest. A conflict of interest exists if representing one of your clients will be directly adverse to another client.
- M. A conflict of interest also exists if there is a significant risk that representing a client will be materially limited by your responsibilities to another client, a former client or a third person, or by your personal interests.
- N. When a conflict of interest exists, you may not represent a client in an IRS matter unless (i) you reasonably believe that you can provide competent and diligent representation to all affected clients, (ii) your representation is not prohibited by law, and (iii) all affected clients give informed, written consent to your representation.

- O. You must retain these consents for 36 months following the termination of the engagement and make them available to the IRS/OPR upon request.
- P. Tax Return Positions. You cannot sign a tax return or refund claim or advise a client to take a position on a tax return or refund claim that you know or should know contains a position (i) for which there is no reasonable basis; (ii) which is an unreasonable position as defined in Internal Revenue Code §6694(a)(2); or, (iii) which is a willful attempt to understate tax liability, or a reckless or intentional disregard of rules or regulations.
- Q. An unreasonable position is one which lacks substantial authority as defined in IRC §6662 but has a reasonable basis, and is disclosed.
- R. For purposes of Circular 230 disclosure, if you advised the client regarding the position, or you prepared or signed the tax return, you must inform a client of any penalties that are reasonably likely to apply to the client with respect to the tax return position and how to avoid the penalties through disclosure (or, by not taking the position). Treasury Circular No. 230 §10.34.
- S. Written Tax Advice. In providing written advice concerning any Federal tax matter, you must (i) base your advice on reasonable assumptions, (ii) reasonably consider all relevant facts that you know or should know, and (iii) use reasonable efforts to identify and ascertain the relevant facts.
- T. You cannot rely upon representations, statements, findings, or agreements that are unreasonable or that you know to be incorrect, inconsistent, or incomplete.
- U. You must not take into account the possibility that a tax return will not be audited or that a matter will not be raised on audit in Rev. 08/2015 evaluating a Federal tax matter (audit lottery).
- V. In providing your written advice, you may rely in good faith on the advice of another practitioner only if that advice is reasonable considering all facts and circumstances.
- W. You cannot rely on the advice of a person whom you know or should know is not competent to provide the advice or who has an unresolved conflict of interest as defined in §10.29.
- X. Errors and Omissions. If you know that a client has not complied with the U.S. revenue laws or has made an error in, or omission from, any return,

affidavit, or other document which the client submitted or executed under U.S. revenue laws, you must promptly inform the client of that noncompliance, error, or omission and advise the client regarding the consequences under the Code and regulations of that noncompliance, error, or omission.

- Y. Depending on the particular facts and circumstances, the consequences of an error or omission could include (among other things) additional tax liability, civil penalties, interest, criminal penalties, and an extension of the statute of limitations.
- Z. **Furnishing Information to the IRS/OPR.** If you receive a proper and lawful request for records or information from the IRS/OPR, you must promptly submit the requested information unless in good faith you reasonably believe that it is privileged.
- AA. If the requested information is not in your or your client's possession, you must promptly inform the requesting IRS personnel of that fact. In the case of requests from the IRS, you must also provide any information you may have regarding who is in possession of the requested information, but you are not required (i) to make inquiries of anyone other than your client or (ii) to verify information provided by your client regarding the person(s) in possession of the requested information.
- BB. You must not interfere with any lawful attempt by the IRS to obtain information unless in good faith you reasonably believe that the information is privileged.
- CC. You cannot advise a client to submit any document to the IRS that is frivolous or that contains or omits information in a manner demonstrating an intentional disregard of a rule or regulation unless you also advise the client to submit a document that evidences a good faith challenge to the rule or regulation.
- DD. **Handling Matters Promptly.** You cannot unreasonably delay the prompt disposition of any matter before the Internal Revenue Service. This applies with respect to responding to your client as well as to IRS personnel. You cannot advise a client to submit any document to the IRS for the purpose of delaying or impeding the administration of the Federal tax laws.
- EE. **Client Records.** On request of a client, you must promptly return any client records necessary for the client to comply with his or her Federal tax obligations, even if there is a dispute over fees.

- FF. You may keep copies of these records. If state law allows you to retain a client's records in the case of a fee dispute, you need only return the records that must be attached to the client's return but you must provide Rev. 08/2015 the client with reasonable access to review and copy any additional client records retained by you that are necessary for the client to comply with his or her Federal tax obligations. The term "client records" includes all written or electronic materials provided to you by the client or a third party. "Client records" also include any tax return or other document that you prepared and previously delivered to the client, if that return or document is necessary for the client to comply with his or her current Federal tax obligations. You are not required to provide a client with of your work product- i.e., any return, refund claim, or other document that you have prepared but not yet delivered to the client if (i) you are withholding the document pending the client's payment of fees related to the document and (ii) your contract with the client requires the payment of those fees prior to delivery.
- GG. With respect to any Internal Revenue Service matter, you may not use any form of public communication or private solicitation containing a false, fraudulent, or coercive statement or claim; or a misleading or deceptive statement or claim.
- HH. You also may not assist, or accept assistance from, any person or entity who obtains clients or otherwise practices in violation of the solicitation provisions.
- II. Negotiating Checks. You may not endorse, negotiate, electronically transfer, or direct the deposit of any government check relating to a Federal tax liability issued to a client. This prohibits any person subject to Treasury Circular No. 230 from directing or accepting payment from the government to the taxpayer into an account owned or controlled by that person. This provision does not apply to whistleblower payments. Treasury Circular No. 230 §10.31.
- JJ. Supervisory Responsibilities. If you have or share principal authority and responsibility for overseeing your firm's tax practice, you must take reasonable steps to ensure that your firm has adequate procedures in place to raise awareness and to promote compliance with Circular 230 by your firm's members, associates, and employees and that all such employees are complying with the regulations governing practice before the IRS.
- KK. Personal Tax Compliance Responsibilities. You are responsible for insuring the timely filing and payment of your personal income tax returns and the tax returns for any entity over which you have, or share, control. Failing to file 4 of the last 5 years income tax returns, or 5 of the

last 7 quarters of employment/excise tax returns is per se disreputable and incompetent conduct for which a practitioner may be summarily suspended, indefinitely. The willful evasion of the assessment or payment of tax is also conduct which violates Circular 230. Treasury Circular No. 230 §10.51(a)(6). Rev. 08/2015

LL. Best Practices. In addition to the rules with which persons must comply, Treasury Circular No. 230, §10.33 includes aspirational best practices for those who provide advice and/or assistance in preparing submissions to the IRS.

MM. These best practices include:

- Communicating clearly with the client regarding the terms of the engagement.
- Establishing facts, determining which facts are relevant, evaluating the reasonableness of any assumptions or representations, relating applicable law (including potentially applicable judicial doctrines) to the relevant facts, and arriving at conclusions supported by the law and the facts.
- Advising clients regarding the meaning of any conclusions reached by the person subject to Circular 230.
- Advising clients whether they may avoid accuracy-related penalties if the client acts in reliance on that person's advice.
- Acting fairly and with integrity in practice before the Internal Revenue Service.

II. The Office of Professional Responsibility

The Office of Professional Responsibility has exclusive responsibility for matters related to practitioner discipline, including disciplinary proceedings and sanctions.

- A. The Office of Professional Responsibility (OPR) announces recent disciplinary sanctions involving attorneys, certified public accountants, enrolled agents, enrolled actuaries, enrolled retirement plan agents, and appraisers.
- B. These individuals are subject to the regulations governing practice before the Internal Revenue Service (IRS), which are set out in Title 31, Code of Federal Regulations, Part 10, and which are published in pamphlet form as Treasury Department Circular No. 230.
- C. The regulations prescribe the duties and restrictions relating to such practice and prescribe the disciplinary sanctions for violating the regulations.

III. **Announcement of Disciplinary Sanctions from the Office of Professional Responsibility**

Announcement 2022-21

- A. The Office of Professional Responsibility (OPR) announces recent disciplinary sanctions involving attorneys, certified public accountants, enrolled agents, enrolled actuaries, enrolled retirement plan agents, appraisers, and unenrolled/unlicensed return preparers (individuals who are not enrolled to practice and are not licensed as attorneys or certified public accountants).
- B. Licensed or enrolled practitioners are subject to the regulations governing practice before the Internal Revenue Service (IRS), which are set out in Title 31, Code of Federal Regulations, Subtitle A, Part 10, and which are released as Treasury Department Circular No. 230.
- C. The regulations prescribe the duties and restrictions relating to such practice and prescribe the disciplinary sanctions for violating the regulations. Unenrolled/unlicensed return preparers are subject to Revenue Procedure 81-38 and superseding guidance in Revenue Procedure 2014-42, which govern a preparer's eligibility to represent taxpayers before the IRS in examinations of tax returns the preparer both prepared for the taxpayer **and** signed as the preparer.
- D. Additionally, unenrolled/unlicensed return preparers who voluntarily participate in the Annual Filing Season Program under Revenue Procedure 2014-42 agree to be subject to the duties and restrictions in Circular 230, including the restrictions on incompetent or disreputable conduct.
- E. The disciplinary sanctions to be imposed for violation of the applicable standards are:
 - 1. **Disbarred from practice before the IRS**—An individual who is disbarred is not eligible to practice before the IRS as defined at 31 C.F.R. § 10.2(a)(4) for a minimum period of five (5) years.
 - 2. **Suspended from practice before the IRS**—An individual who is suspended is not eligible to practice before the IRS as defined at 31 C.F.R. § 10.2(a)(4) during the term of the suspension.
 - 3. **Censured in practice before the IRS**—Censure is a public reprimand. Unlike disbarment or suspension, censure does not affect an individual's eligibility to practice before the IRS, but OPR may subject the individual's future practice rights to conditions designed to promote high standards of conduct.
 - 4. **Monetary penalty**—A monetary penalty may be imposed on an individual who engages in conduct subject to sanction, or on an

employer, firm, or entity if the individual was acting on its behalf and it knew, or reasonably should have known, of the individual's conduct.

5. **Disqualification of appraiser**—An appraiser who is disqualified is barred from presenting evidence or testimony in any administrative proceeding before the Department of the Treasury or the IRS.
6. **Ineligible for limited practice**—An unenrolled/unlicensed return preparer who fails to comply with the requirements in Revenue Procedure 81-38 or to comply with Circular 230 as required by Revenue Procedure 2014-42 may be determined ineligible to engage in limited practice as a representative of any taxpayer.

Tax Professional's Alert: *Under the regulations, individuals subject to Circular 230 may not assist, or accept assistance from, individuals who are suspended or disbarred with respect to matters constituting practice (i.e., representation) before the IRS, and they may not aid or abet suspended or disbarred individuals to practice before the IRS.*

IV. Disciplinary sanctions are described in these terms:

1. **Disbarred by decision, Suspended by decision, Censured by decision, Monetary penalty imposed by decision, and Disqualified after hearing**—An administrative law judge (ALJ) issued a decision imposing one of these sanctions after the ALJ either (1) granted the government's summary judgment motion or (2) conducted an evidentiary hearing upon OPR's complaint alleging violation of the regulations. After 30 days from the issuance of the decision, in the absence of an appeal, the ALJ's decision becomes the final agency decision.
2. **Disbarred by default decision, Suspended by default decision, Censured by default decision, Monetary penalty imposed by default decision, and Disqualified by default decision**—An ALJ, after finding that no answer to OPR's complaint was filed, granted OPR's motion for a default judgment and issued a decision imposing one of these sanctions.
3. **Disbarment by decision on appeal, Suspended by decision on appeal, Censured by decision on appeal, Monetary penalty imposed by decision on appeal, and Disqualified by decision on appeal**—The decision of the ALJ was appealed to the agency appeal authority, acting as the delegate of the Secretary of the Treasury, and the appeal authority issued a decision imposing one of these sanctions.
4. **Disbarred by consent, Suspended by consent, Censured by consent, Monetary penalty imposed by consent, and Disqualified by consent**—In lieu of a disciplinary proceeding being instituted or continued, an individual offered a consent to one of these sanctions and OPR accepted the offer. Typically, an offer of consent will provide for: suspension for an indefinite term; conditions that the individual must observe during the suspension; and the individual's opportunity, after a stated number of months, to file with OPR a petition for reinstatement affirming compliance with the terms of the consent and affirming current fitness and eligibility

to practice (*i.e.*, an active professional license or active enrollment status, with no intervening violations of the regulations).

5. **Suspended indefinitely by decision in expedited proceeding, Suspended indefinitely by default decision in expedited proceeding, Suspended by consent in expedited proceeding**—OPR instituted an expedited proceeding for suspension (based on certain limited grounds, including loss of a professional license for cause, and criminal convictions).
6. **Determined ineligible for limited practice**—There has been a final determination that an unenrolled/unlicensed return preparer is not eligible for limited representation of any taxpayer because the preparer violated standards of conduct or failed to comply with any of the requirements to act as a representative.

Tax Professional's Alert: *A practitioner who has been disbarred or suspended under 31 C.F.R. § 10.60, or suspended under § 10.82, or a disqualified appraiser may petition for reinstatement before the IRS after the expiration of 5 years following such disbarment, suspension, or disqualification (or immediately following the expiration of the suspension or disqualification period if shorter than 5 years). Reinstatement will not be granted unless the IRS is satisfied that the petitioner is not likely to engage thereafter in conduct contrary to Circular 230, and that granting such reinstatement would not be contrary to the public interest.*

V. Reinstatement decisions are published at the individual's request, and described in these terms:

1. **Reinstated to practice before the IRS**—The individual's petition for reinstatement has been granted. The agent, and eligible to practice before the IRS, or in the case of an appraiser, the individual is no longer disqualified.
2. **Reinstated to engage in limited practice before the IRS**—The individual's petition for reinstatement has been granted. The individual is an unenrolled/unlicensed return preparer and eligible to engage in limited practice before the IRS, subject to requirements the IRS has prescribed for limited practice by tax return preparers.

Tax Professional's Alert: *OPR has authority to disclose the grounds for disciplinary sanctions in these situations: (1) an ALJ or the Secretary's delegate on appeal has issued a final decision; (2) the individual has settled a disciplinary case by signing OPR's "consent to sanction" agreement admitting to one or more violations of the regulations and consenting to the disclosure of the admitted violations (for example, failure to file Federal income tax returns, lack of due diligence, conflict of interest, etc.); (3) OPR has issued a decision in an expedited proceeding for indefinite suspension; or (4) OPR has made a final determination (including any decision on appeal) that an unenrolled/unlicensed return preparer is ineligible to represent any taxpayer before the IRS.*

Announcements of disciplinary sanctions appear in the Internal Revenue Bulletin at the earliest practicable date. The sanctions announced below are alphabetized first by state and second by the last names of the sanctioned individuals.

City & State	Name	Professional Designation	Disciplinary Sanction	Effective Date(s)
California				
Corona	Egli, David T.	Attorney	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 23, 2022
Los Angeles	Oganesyan, Gevork	Attorney	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from July 11, 2022
San Rafael	Blecka, John C.	CPA	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 29, 2022
Florida				
Homestead	Rios, Jr., Alfredo	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from July 26, 2022
	Wiggins, Brian M., see Ohio			
Idaho				
Meridian	Roach, Steven L.	Enrolled Agent	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from July 11, 2022
Kansas				

City & State	Name	Professional Designation	Disciplinary Sanction	Effective Date(s)
Stillwell	Vohs, Joy P.	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from July 20, 2022
Overland Park	Brenton, Robert O.	Attorney		Reinstated to practice before the IRS, effective July 14, 2022
Missouri				
Lebanon	Howe, Meagan M.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 30, 2022
St. Louis	Fisher, Jennifer H.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from September 13, 2022
	Vohs, Joy P., see Kansas			
Nevada				
Las Vegas	Santa Ana, Anita E.	Enrolled Agent	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 9, 2022
New Jersey				
Marlboro	Gibson, Daniel M.	CPA	Suspended by decision in expedited	Indefinite from July 19, 2022

City & State	Name	Professional Designation	Disciplinary Sanction	Effective Date(s)
			proceeding under 31 C.F.R. § 10.82(b)	
Jersey City	Tan, Jr., Lincoln L.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 9, 2022
New York				
Hartsdale	Costello, Irene M.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 24, 2022
	Gibson, Daniel M., see New Jersey			
	Tan, Lincoln L., see New Jersey			
Sunnyside	Abdelhalim, Ahmed	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. section 10.82(b)	Indefinite from August 30, 2022
Ohio				
Enon	Wiggins, Brian M.	Attorney	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 30, 2022
Pennsylvania				

City & State	Name	Professional Designation	Disciplinary Sanction	Effective Date(s)
	Costello, Irene M., see New York			
Montoursville	Zeigler, Matthew J.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 23, 2022
Tennessee				
Hendersonville	Guenther, David P.	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from September 20, 2022
Texas				
Katy	Trappio, Mark J.	CPA	Suspended by decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 29, 2022
Virginia				
Warrenton	Hoffman, David G.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. § 10.82(b)	Indefinite from August 9, 2022

Part III

Danger, Danger, Danger

I. Are IRS employees required to refer suspected practitioner misconduct to the Office of Professional Responsibility?

Yes. Any IRS employee who believes a practitioner has violated any provision in Circular 230 is required to make a written report to the OPR (31 C.F.R. Section 10.53 (a)).

A. What Penalties require a referral to the OPR?

- 1 Referrals are mandatory following the assessment of any IRC 6694(b) penalty, e.g., a willful attempt to understate the liability for tax.
2. A referral to the OPR should also be made when any of the following penalties or sanctions are imposed:
 - a. 6700 - Promoting abusive tax shelters
 - b. 6701 - Aiding and abetting understatement of a tax liability
 - c. 7407 - Injunction of a tax return preparer
 - d. 7408 - Injunction for specified conduct relating to tax shelters and reportable transactions

B. What Penalties are discretionary referrals to the OPR?

- 6662 - Accuracy related penalty
- 6694(a) - Understatement of liability due to an unreasonable position
- 6695 - (a) Failure to furnish copy of return
- 6695 - (b) Failure to sign return
- 6695 - (d) Failure to keep a copy of tax return or list of taxpayers
- 6702 - Frivolous tax returns or submissions

Tax Professional's Alert: *If any of the above penalties appear to become a pattern across taxpayers, tax issues or tax years, a referral to the OPR should be made.*

C. Other circumstances for referral include, but are not limited to:

1. Inaccurate or unreasonable entries/omissions on tax returns, financial statements and other documents.
2. A lack of due diligence exercised by the practitioner.
3. A willful attempt by the practitioner to evade the payment or assessment of any Federal tax.
4. Cashing, diverting or splitting a taxpayer's refund by any means, electronic or otherwise.
5. **"Patterns"** of misconduct under Circular 230 involving multiple years, multiple clients or unprofessional conduct demonstrated to multiple IRS employees.
6. Potential conflict-of-interest situations, such as representation of both spouses who have a joint income tax liability or when representation is affected by competing interests of the practitioner.
7. Any willful violation of Circular 230 provisions.

II. Form 8867 - Paid Preparer's Due Diligence Checklist

- A. Paid tax return preparers are required to exercise due diligence when preparing any client's return or claim for refund.
- B. The paid tax return preparer's Earned Income Credit (EIC) due diligence and recordkeeping requirements has expanded to also cover the Child Tax Credit/Additional Child Tax Credit (CTC/ACTC) the American Opportunity Tax Credit (AOTC) and Head of Household Status.
- C. **Form 8867, *Paid Preparer's Due Diligence Checklist***, must be filed with the tax return for any taxpayer claiming EIC, the CTC/ACTC, and/or the AOTC and Head of Household Status.
- D. As part of exercising due diligence, the preparer must
 1. Interview the client,
 2. Ask adequate questions,
 3. Obtain appropriate and sufficient information to determine the correct reporting of income, claiming of tax benefits (such as deductions and credits), and compliance with the tax laws.

- E. To meet these due diligence requirements, the preparer may need to ask additional questions and obtain additional information to determine eligibility for, and the amount of, the EIC, the CTC/ACTC, or the AOTC or if the Head of Household Status is allowed.
- F. Failure to meet the EIC, CTC/ACTC, or the AOTC as well as the Head of Household Status due diligence requirements could result in a penalty for each failure.
- G. For 2023, the penalty is \$560 for each instance.
- H. The preparer complies with the due diligence requirements set forth in Treasury Regulations for the EIC, the CTC/ACTC or the AOTC and Head of Household Status claimed on a return or claim for refund if they do all the following:
 - 1. Complete Form 8867 truthfully and accurately and complete the actions described on Form 8867 for each credit claimed for which a person is the paid tax return preparer.
 - 2. Submit Form 8867 in the manner required.
 - 3. Meet the knowledge requirement by interviewing the taxpayer and asking the client adequate questions to determine if the taxpayer is eligible to claim the credit(s) and in what amount(s). At the same time, the preparer should document the questions and the taxpayer's responses in their notes at the time of the interview. and
 - 4. Keep all five (5) of the following records for three (3) years from the latest of when the return was due (not including extensions) or was actually filed:
 - A copy of Form 8867;
 - The applicable worksheet(s) or your own worksheet(s) for any credits claimed;
 - Copies of any documents provided by the taxpayer on which you relied to determine eligibility for, and the amount of, the credit(s);
 - A record of how, when, and from whom the information used to prepare Form 8867 and worksheet(s) was obtained; and
 - A record of any additional questions you may have asked to determine eligibility for, and amount of, the credits, and the taxpayer's answers.

Paid Preparer's Due Diligence Checklist

Earned Income Credit (EIC), American Opportunity Tax Credit (AOTC),
Child Tax Credit (CTC) (including the Additional Child Tax Credit (ACTC) and
Credit for Other Dependents (ODC)), and Head of Household (HOH) Filing Status

To be completed by preparer and filed with Form 1040, 1040-SR, 1040-NR, 1040-PR, or 1040-SS.
Go to www.irs.gov/Form8867 for instructions and the latest information.

OMB No. 1545-0074

For tax year
20

Attachment
Sequence No. **70**

Taxpayer name(s) shown on return

Taxpayer identification number

Preparer's name

Preparer tax identification number

Part I Due Diligence Requirements

Please check the appropriate box for the credit(s) and/or HOH filing status claimed on the return and complete the related Parts I-V for the benefit(s) claimed (check all that apply). ☐ EIC ☐ CTC/ACTC/ODC ☐ AOTC ☐ HOH

	Yes	No	N/A
1 Did you complete the return based on information for the applicable tax year provided by the taxpayer or reasonably obtained by you?	<input type="checkbox"/>	<input type="checkbox"/>	
2 If credits are claimed on the return, did you complete the applicable EIC and/or CTC/ACTC/ODC worksheets found in the Form 1040, 1040-SR, 1040-NR, 1040-PR, 1040-SS, or Schedule 8812 (Form 1040) instructions, and/or the AOTC worksheet found in the Form 8863 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Did you satisfy the knowledge requirement? To meet the knowledge requirement, you must do both of the following. • Interview the taxpayer, ask questions, and contemporaneously document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status. • Review information to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status and to figure the amount(s) of any credit(s)	<input type="checkbox"/>	<input type="checkbox"/>	
4 Did any information provided by the taxpayer or a third party for use in preparing the return, or information reasonably known to you, appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5.)	<input type="checkbox"/>	<input type="checkbox"/>	
a Did you make reasonable inquiries to determine the correct, complete, and consistent information?	<input type="checkbox"/>	<input type="checkbox"/>	
b Did you contemporaneously document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.)	<input type="checkbox"/>	<input type="checkbox"/>	
5 Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in question 4b, a copy of this Form 8867, a copy of any applicable worksheet(s), a record of how, when, and from whom the information used to prepare Form 8867 and any applicable worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility for the credit(s) and/or HOH filing status or to figure the amount(s) of the credit(s) List those documents provided by the taxpayer, if any, that you relied on: _____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	
6 Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for the credit(s) and/or HOH filing status and the amount(s) of any credit(s) claimed on the return if his/her return is selected for audit?	<input type="checkbox"/>	<input type="checkbox"/>	
7 Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year? (If credits were disallowed or reduced, go to question 7a; if not, go to question 8.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a Did you complete the required recertification Form 8862?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 If the taxpayer is reporting self-employment income, did you ask questions to prepare a complete and correct Schedule C (Form 1040)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 26142H

Form **8867** (Rev. 11-2023)

Part II Due Diligence Questions for Returns Claiming EIC (If the return does not claim EIC, go to Part III.)

	Yes	No	N/A
9a Have you determined that the taxpayer is eligible to claim the EIC for the number of qualifying children claimed, or is eligible to claim the EIC without a qualifying child? (If the taxpayer is claiming the EIC and does not have a qualifying child, go to question 10.)	<input type="checkbox"/>	<input type="checkbox"/>	
b Did you ask the taxpayer if the child lived with the taxpayer for over half of the year, even if the taxpayer has supported the child the entire year?	<input type="checkbox"/>	<input type="checkbox"/>	
c Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tiebreaker rules)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part III Due Diligence Questions for Returns Claiming CTC/ACTC/ODC (If the return does not claim CTC, ACTC, or ODC, go to Part IV.)

	Yes	No	N/A
10 Have you determined that each qualifying person for the CTC/ACTC/ODC is the taxpayer's dependent who is a citizen, national, or resident of the United States?	<input type="checkbox"/>	<input type="checkbox"/>	
11 Did you explain to the taxpayer that he/she may not claim the CTC/ACTC if the child has not lived with the taxpayer for over half of the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to exemption for the child?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents (or parents who live apart), including any requirement to attach a Form 8332 or similar statement to the return?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part IV Due Diligence Questions for Returns Claiming AOTC (If the return does not claim AOTC, go to Part V.)

	Yes	No
13 Did the taxpayer provide substantiation for the credit, such as a Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC?	<input type="checkbox"/>	<input type="checkbox"/>

Part V Due Diligence Questions for Claiming HOH (If the return does not claim HOH filing status, go to Part VI.)

	Yes	No
14 Have you determined that the taxpayer was unmarried or considered unmarried on the last day of the tax year and provided more than half of the cost of keeping up a home for the year for a qualifying person?	<input type="checkbox"/>	<input type="checkbox"/>

Part VI Eligibility Certification

You will have complied with all due diligence requirements for claiming the applicable credit(s) and/or HOH filing status on the return of the taxpayer identified above if you:

- Interview the taxpayer, ask adequate questions, contemporaneously document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s);
- Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for any applicable credit(s) claimed and HOH filing status, if claimed;
- Submit Form 8867 in the manner required; and
- Keep all five of the following records for 3 years from the latest of the dates specified in the Form 8867 instructions under *Document Retention*.
 - A copy of this Form 8867.
 - The applicable worksheet(s) or your own worksheet(s) for any credit(s) claimed.
 - Copies of any documents provided by the taxpayer on which you relied to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).
 - A record of how, when, and from whom the information used to prepare this form and the applicable worksheet(s) was obtained.
 - A record of any additional information you relied upon, including questions you asked and the taxpayer's responses, to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).

If you have not complied with all due diligence requirements, you may have to pay a penalty for each failure to comply related to a claim of an applicable credit or HOH filing status (see instructions for more information).

	Yes	No
15 Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct, and complete?	<input type="checkbox"/>	<input type="checkbox"/>

III. Form 14157 and Form 14157-A Return Preparer Complaint

- A. Use Form 14157 If your individual tax return and/or refund have been impacted.
- B. You can report a tax return preparer for misconduct, such as:
 - 1. Filing an individual Form 1040 series return without your knowledge or consent.
 - 2. Altering your tax return documents.
 - 3. Using an incorrect filing status to generate a larger refund.
 - 4. Creating false exemptions or dependents to generate a larger refund.
 - 5. Creating or omitting income to generate a larger refund.
 - 6. Creating false expenses, deductions or credits to generate a larger refund.
 - 7. Misdirecting your refund.

Tax Professional's Alert: How you report a tax return preparer for misconduct associated with your individual tax return depends on whether or not you received a notice or letter.

If you received a notice or letter from the IRS

Complete Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, and Form 14157, Complaint: Tax Return Preparer. Mail them with all supporting documentation and a copy of the notice or letter to the address contained in that notice or letter.

If you did not receive a notice or letter from the IRS

Complete Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, and Form 14157, Complaint: Tax Return Preparer. Mail them with all supporting documentation to the address where you would normally mail your Form 1040.

- C. If your tax return and/or refund have not been impacted. You can report a tax return preparer for improper tax preparation practices, such as:
 - 1. Failing to enter a Preparer Tax Identification Number (PTIN) on a tax return or improperly using a PTIN belonging to another individual.
 - 2. Refusing to provide clients with a copy of their tax return.
 - 3. Failing to sign tax returns they prepare and file. (Note: If electronically filed, your copy may not contain a signature.)
 - 4. Neglecting to return a client's records or holding the records until the preparation fee is paid.

5. Preparing client returns using off-the-shelf tax software or IRS Free File, both of which are intended for use by individuals.
6. Falsely claiming to be an attorney, certified public accountant, enrolled agent, enrolled retirement plan agent, or enrolled actuary
7. *If you are a tax return preparer and discover that another tax return preparer is committing any of the practices mentioned above.*

Tax Professional's Alert: To report a tax return preparer for improper tax preparation practices, complete and send Form 14157, Complaint: Tax Return Preparer with all supporting documentation to the IRS. The form and documentation can be faxed or mailed, but please do not do both. Faxing and mailing the form may delay the processing of your complaint. Do not use Form 14157:

- *If you suspect your identity was stolen. Use Form 14039. Follow "Instructions for Submitting this Form" on Page 2 of Form 14039.*
- *To report alleged tax law violations by an individual, a business, or both. Use Form 3949-A. Submit to the address on the Form 3949-A.*

For faster service, fax your form and materials to 855-889-7957. If you do not have access to fax services, mail your form as usual.

Where to send your complaint

FAX:

855-889-7957

MAIL:

Internal Revenue Service
Attn: Return Preparer Office
401 W. Peachtree Street NW
Mail Stop 421-D
Atlanta, GA 30308

Use this form to file a complaint with the IRS against a tax return preparer or tax preparation business.

CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. There may be other more appropriate forms specific to your complaint. (For example, if you believe you are a victim of identity theft, please complete Form 14039, Identity Theft Affidavit).

Section A - Return Preparer Information (complete all known information)

1. Preparer's professional status (check all that apply)

- ☐ Attorney ☐ Certified Public Accountant ☐ Other/Unknown
☐ Enrolled Agent ☐ Payroll Service Provider

2. Preparer's name and address

3. Preparer's business name and address (if different)

4. Preparer's telephone number(s) (include area code)

5. Preparer's email address

6. Preparer's website

7. Preparer Electronic Filing Identification Number (EFIN)

8. Preparer Tax Identification Number (PTIN)

9. Employer Identification Number (EIN)

Section B - Complaint Information

10a. Tax period(s) impacted

10b. Did you pay a fee to your preparer

- ☐ Yes ☐ No

If "Yes", enter fee amount

How did you pay the fee (e.g., deducted from refund, personal payment)

11a. Review the complaints below and check all that apply

- ☐ Theft of Refund (Diverted refund to unknown account; return filed does not match taxpayer's copy)
- ☐ E-File (e-filed returns using pay stub, non-commercial software or Free File without properly securing taxpayer's signature)
- ☐ Preparer Misconduct (Failed to provide copy of return, return records, sign returns or remit payments for taxes due; misrepresentation of credentials; agreed to file return but did not; filed return without authorization or consent.)
- ☐ PTIN Issues (Failed to include Preparer Tax Identification Number (PTIN) or any identification number on tax return; indicated the return was "self-prepared" when it was not.)
- ☐ False Items/Documents (False expenses, deductions, credits, exemptions or dependents; false or altered documents; false or overstated Form W-2 or 1099; incorrect filing status)
- ☐ Employment Taxes (Failed to file forms 940, 941, 943, or 945 or remit Employment Tax payment)
- ☐ Return Preparer self reported event (Compromised PTIN, data breach/security incident, return count discrepancy, someone used your identity to obtain a PTIN)
- ☐ Other (explain below)

Attach a **copy** of any documents you received from the tax return preparer (e.g., tax returns, advertisements, business cards, Form 8879, IRS e-file Signature Authorization, Form 8888, Allocation of Refund (including savings bond purchases), Contract for Service Agreement, and Refund Transfer Agreement). Do not send original returns or payments with this form.

11b. Provide facts and other information related to the complaint (*attach additional sheets if necessary*).

Section C - Taxpayer's Information Are you the taxpayer? ☐ Yes ☐ No

This information may be necessary to process your complaint. If you are the taxpayer complete section C only. If you are not the taxpayer, complete sections C and D.

12. Name of individual or business

13. Mailing address (*street, city, state, ZIP code*)

14. Telephone number(s) (*include area code*)

15. Email address

16. Taxpayer's signature

17. Date of complaint

Section D - Your Information (*do not complete if you are the taxpayer*)

This information is not required to process your complaint but is helpful if we need to contact you for additional information.

18. Name (*Last, First, MI*)

19. Date of complaint

20. Mailing address (*street, city, state, ZIP code*)

21. Telephone number(s) (*include area code*)

22. Email address

23. Your relationship to Preparer

☐ Client

☐ Return preparer self reported event

☐ Return preparer working for a different firm*

☐ IRS employee

☐ Return preparer working for the same firm*

☐ Other (*specify*) _____

* Taxpayers' information and any information relating to another professional are confidential. Please obtain your client's consent before sharing any protected tax information, even with the IRS.

The completed form along with all supporting information can be filed by fax or regular mail.

If faxing Form 14157 send to:

855-889-7957

If mailing Form 14157 send to:

Attn: Return Preparer Office
401 W. Peachtree Street NW
Mail Stop 421-D
Atlanta, GA 30308

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to ensure that preparers are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time required to complete this form will vary depending on individual circumstances. The estimated average time is 15 minutes. The primary purpose of this form is to report potential violations of the Internal Revenue laws by tax return preparers. We are requesting this information under authority of 26 U.S.C. § 7801 and § 7803. Providing this information is voluntary, and failure to provide all or part of the information will not affect you. Providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, and to federal law enforcement and intelligence agencies to combat terrorism.

Instructions for Form 14157, Complaint: Tax Return Preparer

General Instructions

What's New

Several questions were added about the fee for the tax preparation services. Questions were added to help tax return preparers self-report issues with compromised PTINs, data breaches/security incidents, return count discrepancies or if someone used their identity to obtain a PTIN.

Purpose of Form

Use Form 14157 to file a complaint against a tax return preparer or tax preparation business. Tax professionals can use this form to report events that impact their PTIN or business.

Individuals who are paid to prepare federal tax returns must follow ethical standards and guidelines as established in Treasury Department Circular 230. For more information on requirements for paid tax return preparers, view Circular 230 at www.irs.gov/taxpros.

Where to Send This Form

The completed form along with all supporting information can be filed by fax or regular mail.

If faxing Form 14157 send to: 855-889-7957

If mailing Form 14157 send to: Attn: Return Preparer Office, 401, W. Peachtree Street NW, Mail Stop 421-D, Atlanta, GA 30308

If a tax return preparer filed a return or altered your return without your consent and you are seeking a change to your account, complete Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, in addition to Form 14157. Submit both forms along with the documents listed in the Form 14157-A instructions to the address indicated on the Form 14157-A.

CAUTION: DO NOT USE Form 14157:

- If you suspect your **identity was stolen**. Use Form 14039. Follow "Instructions for Submitting this Form" on Page 2 of Form 14039.
- To report **alleged tax law violations** by an individual, a business, or both. Use Form 3949-A. Submit to the address on the Form 3949-A.

Specific Instructions

Section A - Return Preparer Information

Preparer's Professional Status - Indicate any professional credentials held, or claimed to be held, by the return preparer. An Attorney is an individual in good standing with a state bar association. A Certified Public Accountant is an individual in good standing with a state board of accountancy. An Enrolled Agent status is granted solely by the IRS upon the individual's demonstration of special competence in tax matters, by written examination, and passing suitability requirements. A Payroll Service Provider is a third party paid by an employer to administer the employer's payroll and tax responsibilities. Select Other/Unknown if you are unsure of the preparer's status.

Information about the Tax Return Preparer - Provide as much information as you know about the paid tax return preparer or business.

Preparer's Identification Numbers(s) - If known, provide the tax preparer's Electronic Filing Identification Number (EFIN), Preparer Tax Identification Number (PTIN), and Employer Identification Number (EIN).

Section B - Complaint Information

Tax Period(s)

Indicate the tax period(s) of the tax return for which the tax preparer misconduct occurred. Most individual's tax returns cover a calendar year of 12 months, January 1 through December 31. For example, you may have a tax return that was prepared in 2013, but the tax year is 2012 because the tax return covered calendar year 2012. A business's tax return can cover a quarter or a full year. For example, you may have a Form 941, Employer's Quarterly Federal Tax Return, prepared for the period ending September 30, 2014.

Review the complaint allegations and check all that apply. Describe in detail the facts of your complaint in 11b. Attach a copy of any documents you received from the tax return preparer. For Employment Tax complaints attach a copy of any Contract for Service Agreement. Also attach additional sheets if necessary. Do not send original returns or payments.

Theft of Refund

A preparer:

- Embezzled or stole all or a portion of a client's federal tax refund.
- Diverted a refund to an account that was not the client's.
- Provided a copy of the return to the client that had direct deposit information that is not theirs.
- Provided a copy of the return to the client that does not match the return that was filed with the IRS.
- Failed to explain that a cash advance, fast refund, or instant refund was actually a refund anticipation loan borrowed against an income tax refund and the related fees and interest charges.

E-File**A preparer:**

- Filed a return electronically using a last payroll stub or a leave and earnings statement without waiting for the official Form W-2 from the employer. Return preparers are generally prohibited from filing a return prior to receipt of Forms W-2, W-2G, and 1099-R.
- Used non-commercial software to prepare returns that appear self prepared by the taxpayer and is not including his or her name, PTIN, or firm name. Similarly, the preparer used the "Free File" program to prepare and file tax returns for clients. For more information on Free File, visit www.irs.gov/freefile.
- Filed a return electronically without securing taxpayer's signature on Form 8879 (e-File Signature Authorization).

Preparer Misconduct**A preparer:**

- Did not provide client with a copy of the return he or she prepared, and refused to provide a copy after a request.
- Did not return some or all of the client's original records.
- Did not sign the federal tax returns that he or she prepared.
- Claimed to be an attorney, certified public accountant, enrolled agent, or registered tax return preparer, but does not actually have the credential claimed or the credential is no longer valid (e.g. expired, suspended or revoked).
- Agreed to file return but did not.
- The preparer charged for services not performed.
- Did not remit payment for taxes due.
- Filed a return or submitted other information for a client without their knowledge, authorization, or consent.
- Failed to explain that a cash advance, fast refund, or instant refund was actually a refund anticipation loan borrowed against an income tax refund and the related fees and interest charges. The return preparer was misleading, or failed to ensure taxpayers understand financial products and related fees.

PTIN Issues**A preparer:**

- Improperly used a Preparer Tax Identification Number (PTIN) belonging to another individual.
- Does not have a PTIN or is not including a PTIN on returns prepared.

False Items/Documents**A preparer knowingly:**

- Claimed false or fictitious expenses and/or deductions on a tax return.
- Claimed unrelated, non-existent, unknown or additional information on a tax return.
- Made changes to a client's original tax documents or used false or incorrect documents to complete return.
- Claimed false or fictitious income and/or federal withholding on a tax return.
- Claimed an improper filing status on a tax return. The filing status claimed did not accurately reflect the taxpayer's family situation.

Employment Taxes**A preparer:**

- Did not remit employment tax funds to the IRS on behalf of a client for Forms 940, 941, 943, 944, or 945 in full or on time.
- Did not prepare employment tax returns (Form 941, 940, 943, 944, 945) on behalf of a client in an accurate and/or timely manner.

Return Preparer self reported event

- If your PTIN has been compromised. For example, you believe someone else is using your PTIN on tax returns without your authorization.
- You experienced a data breach or security incident.
- Return volume data from IRS sources is significantly different from your data.
- If someone used your identity to obtain a PTIN without your authorization.

Other

- If none of the above describes the nature of the complaint, briefly summarize the complaint. Some examples of other tax preparer misconduct or improper tax preparation practices include, but are not limited to, fee dispute and bad behavior such as threats.

Section C - Taxpayer Information

Indicate if you are the taxpayer impacted by the tax preparer's misconduct or improper tax preparation practices.

Enter the taxpayer's name, street address, city, state, zip code, telephone number(s), and email address where he/she can be contacted.

Taxpayer's Signature – Sign and date.

Section D - Your Contact Information

Enter your name, street address, city, state, zip code, telephone number(s), and e-mail address where you can be contacted. This information is not required to process your complaint but is helpful if we need to contact you for additional information.

Your Relationship to Preparer

Enter your relationship to the return preparer.

Taxpayers' information and any information relating to another professional are confidential. Please obtain your client's consent before sharing any protected tax information, even with the IRS.

Form 14157-A (November 2018)	Department of the Treasury - Internal Revenue Service Tax Return Preparer Fraud or Misconduct Affidavit	OMB Number 1545-2168
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Complete and sign this form if (1) a tax return preparer filed a Form 1040 series tax return or altered your Form 1040 series tax return without your knowledge or consent AND (2) you are seeking a change to your tax account.

Important: Read the instructions for additional required documentation to submit with Form 14157-A. Incomplete complaints will delay the processing of your claim.

Your name (Last, First, MI)	Spouse name, if applicable (Last, First, MI)	Last four digits of your SSN (or ITIN)
Your mailing address (street, city, state, ZIP code)		Name of Tax Return Preparer

I am a victim of preparer fraud or misconduct (check all that apply). Provide an explanation on the back of this form.

- ☐ A Tax Return Preparer filed a tax return using my name and/or Social Security Number without my knowledge or consent
- ☐ A Tax Return Preparer altered my tax return without my knowledge or consent
- ☐ A Tax Return Preparer provided me with a copy of my tax return which is different from what was filed with the IRS
- ☐ A Tax Return Preparer received all or a portion of my refund without my knowledge or consent
- ☐ A Tax Return Preparer had my refund or a portion of my refund direct deposited into an account that was not mine
- ☐ A Tax Return Preparer promised me a refund that I never received and the IRS did not contact me about the refund
- ☐ A Tax Return Preparer promised me a refund but I received a refund for a different amount and the IRS did not contact me about the refund
- ☐ A Tax Return Preparer promised me a refund but gave me a check that "bounced"

List the tax year(s) impacted for each box checked above

If you used the tax return preparer named above for any other tax year(s) filings or returns, list the tax year(s)

Do you have a relationship with the preparer other than a business relationship	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes, define the relationship (friend, neighbor, relative, co-worker, etc.)		
How did you find out this person prepared income tax returns		

Did you receive a refund	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes, enter refund amount		
Enter refund amount expected if different from the refund amount you received		
If No, did you contact your preparer or financial institution to inquire about your refund	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Preparer or financial institution response regarding your refund		

Note: If you did not receive a refund or received a refund for a different amount than what was expected, you may contact the IRS at 1-800-829-1040 to determine if a refund trace is needed. The refund trace will assist with the processing of your claim.

Did you pay a fee to your preparer	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes, enter fee amount		
How did you pay the fee? (For example: deducted from refund, personal payment)		

Do you authorize the IRS to disclose your identity (your name, mailing address, taxpayer identifying number or any combination thereof) and each bank routing and account number listed on your tax return to the corresponding bank in order to determine if the refund was directed to your account ☐ Yes ☐ No

Briefly describe what happened and the resulting tax issue *(if applicable)*. If additional space is needed, attach your explanation.

Area with horizontal dashed lines for providing a detailed explanation of the tax issue.

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the information entered on this form is true, correct, complete, and made in good faith

Taxpayer signature	Date signed
Spouse's signature <i>(if applicable)</i>	Date signed

Telephone number *(include area code)*

Instructions for Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit

Purpose of Form:

Use Form 14157-A if (1) a tax return preparer filed a Form 1040 series tax return or altered your Form 1040 series tax return information without your knowledge or consent AND (2) you are seeking a change to your tax account.

Specific Instructions: Consideration of your complaint will be delayed if the required documentation below is not included.

In order for your complaint to be considered, you must submit:

Forms:

- Form 14157-A, *Tax Return Preparer Fraud or Misconduct Affidavit* - Complete form in its entirety and sign under penalties of perjury. If your filing status is Married Filing Joint, at least one signature is required.
- Form 14157, *Complaint: Tax Return Preparer* - Complete form in its entirety. Information provided on this form will be shared with the Return Preparer Office (RPO) to report the misconduct. **Do not** send a duplicate copy to RPO. **Note:** Section A, Return Preparer information must be completed for consideration.
- Signed copy of your individual tax return(s), as it was intended to be filed (*if required to file*).
- Copy of your tax return received from your tax preparer.

Preparer Information:

Evidence corroborating that the tax preparer held themselves out as being in the business of preparing returns. You will need to provide one or more items of evidence to establish this fact, which may include one or more of the following: This list is not all inclusive.

- Copy of tax return received from the tax preparer that identifies the preparer
- Business card of the preparer
- Flyer or advertisement indicating return preparation services and name of preparer
- Professional or business letterhead bearing name of the preparer
- Business name on check from preparer

Evidence corroborating that there was interaction with the tax preparer. The evidence must show the preparer name and the tax year in question with corresponding dates that indicate an exchange between the taxpayer and the preparer regarding the filing of a tax return. You will need to provide one or more items of evidence to establish this fact, which may include one or more of the following: This list is not all inclusive.

- Copy of tax return received from the tax preparer that identifies the preparer
- Copy of documents received from tax preparer
- Copy of Form 8879, *IRS e-file Signature Authorization*, with signatures or evidence it was received by the preparer
- Copy of negotiated check for payment to the preparer for tax preparation services
- Copy of refund check the taxpayer received from the preparer
- Copy of credit card statement reflecting charge in the preparer's name for payment for services
- Copy of receipt from the preparer, reflecting a fee for the preparation of a tax return for the year in question
- Copy of paper check(s) reflecting the amount received by paper check, if applicable
- E-mail or text messages exchanged between the taxpayer and preparer concerning the tax return preparation

If you are claiming you received no refund or received only a portion of your refund, additional information may be required:

- Official report from a Law Enforcement agency signed by police officer or equivalent (or otherwise demonstrably accepted by the agency) that contains:
 - o Tax year(s) involved
 - o Return preparer's first and last name, address, and
 - o A statement describing the preparer misconduct and theft of refund.

Mailing Instructions: Place the Form 14157-A on top of all other required documentation.

If submitting this information in response to a notice or letter received from the IRS:

- Send the completed Form 14157-A, Form 14157, and other documents with a copy of the notice or letter to the address contained in that notice or letter.

If you did NOT receive a notice from the IRS:

- Send the completed Form 14157-A, Form 14157, and other documents to the IRS where you would normally mail your Form 1040. To locate the proper mailing address, go to IRS.gov - key word search "Where to File Addresses" and then link to "Taxpayers and Tax Professionals - Where to File Individual Tax Returns".

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to ensure that preparers are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by IRC Section 6103.

The time required to complete this form will vary depending on individual circumstances. The estimated average time is 5 minutes. The primary purpose of this form is to report potential violations of the Internal Revenue laws by tax return preparers. We are requesting this information under authority of 26 U.S.C. § 7801 and § 7803. Providing this information is voluntary, and failure to provide all or part of the information will not affect you. Providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, and to federal law enforcement and intelligence agencies to combat terrorism.

Identity Theft Affidavit

This affidavit is for **victims** of identity theft. To avoid delays do not use this form if you have already filed a Form 14039 for this incident.

The IRS process for assisting victims selecting **Section B, Box 1** below is explained at irs.gov/victimassistance.

Get an IP PIN: We encourage everyone to opt-in to the Identity Protection Personal Identification Number (IP PIN) program. If you don't have an IP PIN, you can get one by going to irs.gov/ippin. If unable to do so online, you may schedule an appointment at your closest [Taxpayer Assistance Center](https://irs.gov/ippin) by calling (844-545-5640). Or, if eligible, you may use IRS Form 15227 to apply for an IP PIN by mail or FAX, also available by going to irs.gov/ippin.

Section A - Check the following boxes in this section that apply to the specific situation you are reporting (required for all filers)

- ☐ 1. I am submitting this Form 14039 for myself
- ☐ 2. I am submitting this Form 14039 in response to an IRS Notice or Letter received
- Provide 'Notice' or 'Letter' number(s) on the **line to the right** _____
 - Check box 1 in **Section B** and see special mailing and faxing instructions on reverse side of this form.
- ☐ 3. I am submitting this Form 14039 on behalf of my dependent child or dependent relative
- Complete **Sections A-F** of this form. Do not use this form if dependent's identity was misused by a parent or guardian in filing taxes, this is not identity theft.
- ☐ 4. I am submitting this Form 14039 on behalf of another person living or deceased (*other than my dependent child or dependent relative*)
- Complete **Sections A-F** of this form.

Section B - How I Am Impacted (required when reporting misuse of Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN))

Check all boxes that apply to the person listed in **Section C** below. If the person in Section C has previously submitted a Form 14039 for the same incident, there's no need to submit another Form 14039.

- ☐ 1. I know that someone used my information to fraudulently file a tax return
- ☐ I/My dependent was fraudulently/incorrectly claimed as a dependent
 - ☐ My SSN or ITIN was fraudulently used for employment purposes
- ☐ 2. I don't know if someone used my information to fraudulently file taxes, but I'm a victim of identity theft

Provide an explanation of the identity theft issue, how it impacts your tax account, when you became aware of it and provide relevant dates. If needed, attach additional information and/or pages to this form

Section C - Name and Contact Information of Identity Theft Victim (required)

Victim's last name	First name	Middle initial	Taxpayer Identification Number (provide 9-digit SSN or ITIN)	
Current mailing address (apartment or suite number and street, or P.O. Box) If deceased, provide last known address		Current city	State	ZIP code
Address used on last filed tax return (if different than 'Current')		City (on last tax return filed)	State	ZIP code
Telephone number with area code Home phone number _____ Cell phone number _____			Best time(s) to call	
Language in which you would like to be contacted <input type="checkbox"/> English <input type="checkbox"/> Spanish <input type="checkbox"/> Other _____				

Section D - Tax Account Information: Last tax return filed (year shown on the tax return) and Returns Impacted (Do not complete Section D if you selected **Box 2** in Section B above)

☐ I had no filing requirement or filed a non-filer return

Names used on last filed tax return	The last tax return filed (year shown on the tax return)
-------------------------------------	--

What Tax Year(s) you believe were impacted by tax-related identity theft (example: 2020 is input for citing the 2020 tax return though filed the next year(s). (if not known, enter 'Unknown' below))

--	--	--	--	--	--	--	--

Submit this completed form to either the mailing address or the FAX number provided on the reverse side of this form.

Section E – Penalty of Perjury Statement and Signature (required)

Under penalty of perjury, I declare that, to the best of my knowledge and belief, the information entered on this Form 14039 is true, correct, complete, and made in good faith.

Signature of taxpayer, or representative, conservator, parent or guardian

Date signed

Section F – Representative, Conservator, Parent or Guardian Information (required if completing Form 14039 on someone else's behalf)Check only **ONE** of the following five boxes next to the reason you are submitting this form

- ☐ 1. The taxpayer is deceased, and I am the surviving spouse
- No attachments are required, including death certificate.
- ☐ 2. The taxpayer is deceased, and I am the court-appointed or certified personal representative
- Attach a copy of the court certificate showing your appointment.
- ☐ 3. The taxpayer is deceased, and a court-appointed or certified personal representative has not been appointed
- Attach copy of death certificate or formal notification from a government office informing next of kin of the decedent's death.
 - Indicate your relationship to decedent: ☐ Child ☐ Parent/Legal Guardian ☐ Other _____
- ☐ 4. The taxpayer is unable to complete this form and I am the appointed conservator, or I have been authorized to act on behalf of the taxpayer per Form 2848, Power of Attorney and Declaration of Representative
- Attach a copy of documentation showing your appointment as conservator or Power of Attorney authorization.
 - If you have an IRS issued Centralized Authorization File (CAF) number, enter the nine-digit number:

--	--	--	--	--	--	--	--	--
- ☐ 5. The person is my dependent child or my dependent relative
- By checking this box and signing below you are indicating that you are an authorized representative, as parent, guardian or legal guardian, to file a legal document on the dependent's behalf.
- Indicate your relationship to person ☐ Parent/Legal Guardian ☐ Power of Attorney
 - ☐ Fiduciary per IRS Form 56, Notice of Fiduciary Relationship ☐ Other _____

Representative's name

Last name

First name

Middle initial

Representative's current mailing address (city, town or post office, state, and ZIP code)

Representative's telephone number

Instructions for Submitting this Form

Submit this completed and signed form to the IRS via **Mail** or **FAX** to specialized IRS processing areas dedicated to assist you. In **Section C** of this form, be sure to include the Social Security Number in the "Taxpayer Identification Number" field.

Help us avoid delays:

- Do not use this form if you have already filed a Form 14039 for this incident.
- Choose one method of submitting this form either by Mail or by FAX, not both.
- Provide clear and readable photocopies of any additional information you may choose to provide.
- Submit the original tax return to the IRS location where you normally file your tax return. Do not use the following address or fax number to file an original tax return.

Submitting by Mail	Submitting by FAX
<ul style="list-style-type: none">• If you checked Box 2 in Section A in response to a notice or letter received from the IRS, return this form and if possible, a copy of the notice or letter to the address contained in the notice or letter.• If you checked Box 1 or 2 in Section B of Form 14039 and are unable to file your tax return electronically because the SSN/ITIN of you, your spouse, or dependent was misused, attach this Form 14039 to the back of your paper tax return and submit to the IRS location where you normally file your tax return.• All others should mail this form to: Department of the Treasury Internal Revenue Service Fresno, CA 93888-0025	<ul style="list-style-type: none">• Always include a cover sheet marked "Confidential".• If you checked Box 2 in Section A of Form 14039 and are submitting this form in response to a notice or letter received from the IRS. If it provides a FAX number, you should send there.• If no FAX number is shown on the notice or letter, follow the mailing instructions on the notice or letter.• For all others, FAX this form toll-free to: 855-807-5720

Privacy Act and Paperwork Reduction Notice

Our legal authority to request the information is 26 U.S.C. 6001. The primary purpose of the form is to provide a method of reporting identity theft issues to the IRS so that the IRS may document situations where individuals are or may be victims of identity theft. Additional purposes include the use in the determination of proper tax liability and to relieve taxpayer burden. The information may be disclosed only as provided by 26 U.S.C. 6103. Providing the information on this form is voluntary. However, if you do not provide the information it may be more difficult to assist you in resolving your identity theft issue. If you are a potential victim of identity theft and do not provide the required substantiation information, we may not be able to place a marker on your account to assist with future protection. If you are a victim of identity theft and do not provide the required information, it may be difficult for IRS to determine your correct tax liability. If you intentionally provide false information, you may be subject to criminal penalties. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send this form to this address. Instead, see the form for filing instructions. Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

Information Referral

(See instructions on reverse)

Use this form to report suspected tax law violations by a person or a business.

CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. There may be other more appropriate forms specific to your complaint.
(For example, if you suspect your identity was stolen, use [Form 14039](#).)**Section A – Information About the Person or Business You Are Reporting**Complete 1, if you are reporting an Individual. Complete 2, if you are reporting a business only. Complete 1 and 2 if you are reporting a business and its owner.
(Leave blank any lines you do not know.)

1a. Name of individual		b. Social Security Number/TIN		c. Date of birth	
d. Street address		e. City		f. State <input type="text"/>	g. ZIP code
h. Occupation		i. Email address			
j. Marital status (check one, if known) <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Head of Household <input type="checkbox"/> Divorced <input type="checkbox"/> Separated				k. Name of spouse	
2a. Name of business		b. Employer Tax ID number (EIN)		c. Telephone number	
d. Street address		e. City		f. State <input type="text"/>	g. ZIP code
h. Email address		i. Website			

Section B – Describe the Alleged Violation of Income Tax Law

3. Alleged violation of income tax law. (Check all that apply.)

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> False Exemption | <input type="checkbox"/> Unsubstantiated Income | <input type="checkbox"/> Unreported Income | <input type="checkbox"/> Failure to Withhold Tax |
| <input type="checkbox"/> False Deductions | <input type="checkbox"/> Earned Income Credit | <input type="checkbox"/> Narcotics Income | <input type="checkbox"/> Failure to File Return |
| <input type="checkbox"/> Multiple Filings | <input type="checkbox"/> Public/Political Corruption | <input type="checkbox"/> Kickback | <input type="checkbox"/> Failure to Pay Tax |
| <input type="checkbox"/> Organized Crime | <input type="checkbox"/> False/Altered Documents | <input type="checkbox"/> Wagering/Gambling | <input type="checkbox"/> Other (describe in 5) |

4. Unreported income and tax years

Fill in Tax Years and dollar amounts, if known (e.g., TY 2010- \$10,000)

TY ____ \$ ____ TY ____ \$ ____ TY ____ \$ ____ TY ____ \$ ____ TY ____ \$ ____ TY ____ \$ ____

5. Comments (Briefly describe the facts of the alleged violation-Who/What/Where/When/How you learned about and obtained the information in this report. Attach another sheet, if needed.)

6. Additional information. Answer these questions, if possible. Otherwise, leave blank.

a. Are book/records available? (If available, do not send now. We will contact you, if they are needed for an investigation.)

☐ Yes ☐ No

b. Do you consider the taxpayer dangerous

☐ Yes ☐ No

c. Banks, Financial Institutions used by the taxpayer

Name			Name		
Street address			Street address		
City	State <input type="text"/>	ZIP code	City	State <input type="text"/>	ZIP code

Section C – Information About Yourself

(We never share this information with the person or business you are reporting.)

This information is not required to process your report, but would be helpful if we need to contact you for any additional information.

7a. Your name		b. Telephone number	c. Best time to call	
d. Street address		e. City	f. State <input type="text"/>	g. ZIP code

Print and send your completed form to: Internal Revenue Service

PO Box 3801
Ogden, UT 84409

Instructions for Form 3949-A, Information Referral

General Instructions

Purpose of the Form

Use Form 3949-A to report alleged tax law violations by an individual, a business, or both.

CAUTION: DO NOT USE Form 3949-A:

- o If you suspect your **identity was stolen**. Use [Form 14039](#). Follow "Instructions for Submitting this Form" on Page 2 of Form 14039.
- o To report suspected **misconduct by your tax return preparer**. Use [Form 14157](#). Submit to the address on the Form 14157.
- o If your **paid preparer** filed a return or made changes to your return **without your authorization**. Instead, use [Form 14157](#) AND [Form 14157-A](#). Submit both to the address on the Form 14157-A.
- o If **you received a notice** from the IRS about **someone claiming your exemption or dependent**. Follow the instructions on the notice. Do not complete Form 3949-A.
- o To report an **abusive tax avoidance scheme, promotion, or a promoter** of such a scheme. Use [Form 14242](#). Mail or FAX to the address or FAX number on the Form 14242.
- o To report misconduct or **wrongdoing by a tax exempt organization** or its officers, directors, or authorized persons. Use [Form 13909](#). Submit by mail, FAX, or email, according to the instructions on the Form 13909.

Have information and want to claim a reward? Use Form 211, Application For Award For Original Information. Mail it to the address in the Instructions for the form.

Specific Instructions

Section A – Provide Information About the Person/Business You Are Reporting, if known.

Provide as much information as you know about the person or business you are reporting.

1. **Complete if you are reporting an individual.** Include their name, street address, city, state, ZIP code, social security number or taxpayer identification number, occupation, date of birth, marital status, name of spouse (if married), and email address. Include as much information as you know.
2. **Complete if you are reporting a business.** Include the business name, business street address, city, state, ZIP code, employer identification number (EIN), telephone number(s), email address, and website, if known.

Note: Complete both parts if you are reporting a business and its owner.

Section B – Use to Describe the Alleged Tax Law Violation(s)

3. Check all Tax Violations That Apply to Your Report.

False Exemption- Claimed persons as dependents they are not entitled to claim.

False Deductions- Claimed false or exaggerated deductions to reduce their taxable income.

Multiple Filings- Filed more than one tax return to receive fraudulent refunds.

Organized Crime- Member of a group of persons who engaged in illegal enterprises such as drugs, gambling, loansharking, extortion, or laundering illegal money through a legitimate business.

Unsubstantiated Income- Reported false income from an unverifiable source in order to get a false refund.

Earned Income Credit- Claimed Earned Income Credit which they were not entitled to receive. They may have reported income they did not earn or claimed children they were not entitled to claim.

Public/Political Corruption- Public official or politician violated laws against using their position illegally for personal gain.

False/Altered Documents- Changed documents, such as a W-2 or Form 1099, or created fake documents to substantiate a false refund.

Unreported Income- Received cash or other untraceable payments, such as goods or services, and did not report the income.

Narcotics Income- Received income from illegal drugs or narcotics.

Kickback- Received illegal payments or kickbacks in exchange for referring the business of a government agency or other business towards a company or for influencing business decisions that result in part of the payment for the business received or service performed being returned to the person who made the referral.

Wagering/Gambling- Did not report income received from wagering or gambling.

Failure to Withhold Tax- Individual or business did not withhold legally owed taxes from income paid to their employee(s), such as Social Security or Medicare taxes. Example: A business treated employees as independent contractors and issued Forms 1099, with no tax withheld, instead of a W-2.

Failure to File Return- Individual or business has not filed returns legally due.

Failure to Pay Tax- Individual or business has not paid taxes legally due.

Other- Describe in 5.

4. If your report involves unreported income, indicate the year(s) and the dollar amount(s).
5. Briefly describe the facts of the alleged tax law violation(s) as you know them. Attach another sheet, if you need more room.
6. Additional Information, if known. Attach another sheet, if you need more room.

Section C – Provide Information about Yourself

7. **Note: Information about yourself is NOT required to process your report, but may be helpful if we need additional information.**

Print and send your completed form to the Internal Revenue Service at:

**Internal Revenue Service
PO Box 3801
Ogden, UT 84409**

Paperwork Reduction Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. This report is voluntary and the information requested helps us determine if there has been a violation of Income Tax Law. We need it to insure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administrations of any Internal Revenue laws. Generally, tax returns and tax return information are confidential, as required by Code section 6103.

The time required to complete this form will vary depending on individual circumstances. The estimated average time is 15 minutes.

Privacy Act Notice

We are requesting this information under authority of 26 U.S.C. 7801. The primary purpose of this form is to report potential violations of the Internal Revenue laws. The information may be disclosed to the Department of Justice to enforce the tax laws. Providing the information is voluntary. Not providing all or part of the information will not affect you.

IV. What does Criminal Investigation do?

- A. The American system of taxation is based on the premise that all income is taxable (which includes illegally earned income).
- B. In many instances, proving that a taxpayer willfully attempted to hide income from the Federal Government is an integral part of proving other criminal activity including fraud, money laundering or Bank Secrecy Act violations.
- C. Criminal Investigation continues to fulfill the important role of helping to ensure the integrity and fairness of our nations' tax system.

D. How do they do it?

The Internal Revenue Service Criminal Investigation Division conducts criminal investigations regarding alleged violations of the Internal Revenue Code, the Bank Secrecy Act and various money laundering statutes. The findings of these investigations are referred to the Department of Justice for recommended prosecution.

E. Sources of Criminal Investigations for IRS Special Agents

Criminal Investigations can be initiated from information obtained from within the IRS when a revenue agent (auditor), revenue officer (collection) or investigative analyst detects possible fraud. Information is also routinely received from the public as well as from ongoing investigations underway by other law enforcement agencies or by United States Attorneys offices across the country.

F. Preliminary Analysis and Investigation Approvals

Special agents analyze information to determine if criminal tax fraud or some other financial crime may have occurred.

Relevant information is evaluated.

This preliminary process is called a "primary investigation."

The special agent's front line supervisor reviews the preliminary information and makes the determination to approve or decline the further development of the information.

If the supervisor approves, approval is obtained from the head of the office, the special agent in charge, to initiate a "*subject criminal investigation.*"

At this point, at least two layers of CI management have reviewed the 'primary investigation' material and determined there is sufficient evidence to initiate a subject criminal investigation.

G. Conducting a Criminal Investigation

Once an investigation is opened, the special agent obtains the facts and evidence needed to establish the elements of criminal activity. Various investigative techniques are used to obtain evidence, including interviews of third party witnesses, conducting surveillance, executing search warrants, subpoenaing bank records, and reviewing financial data.

The *special agent* works closely with *IRS Chief Counsel Criminal Tax Attorneys* during the course of the criminal investigation. This process ensures all legal aspects of the investigation and prosecution recommendation are correctly addressed.

H. Prosecution Recommendations by the Special Agent

After all the evidence is gathered and analyzed, the special agent and his or her supervisor either make the determination that evidence does not substantiate criminal activity, in which case the investigation is 'discontinued,' or the evidence is sufficient to support the recommendation of prosecution, in which case the agent proceeds with the preparation of a written report detailing the findings of violation of the law and recommending prosecution.

This report is called a "*special agent report*" and it is reviewed by numerous officials, including:

1. The agent's front line supervisor, called the supervisory special agent;
2. A criminal investigation quality review team, Centralized Case Review;
3. CI assistant special agent in charge;
4. CI special agent in charge.

If CI determines the investigation should be criminally prosecuted, a prosecution recommendation is forwarded to:

1. The Department of Justice, Tax Division, (if it is a tax investigation) or
2. The United States Attorney for all other investigations.

Each level of review may determine that evidence does not substantiate criminal charges and the investigation should not be prosecuted.

I. Prosecution

If the Department of Justice or the United States Attorney accepts the investigation for prosecution, the IRS special agent will be asked by the prosecutors to assist in preparation for trial. However, *once a special agent report is referred to for prosecution, the investigation is managed by the prosecutors.*

J. Conviction

The ultimate goal of an IRS Criminal Investigation prosecution recommendation is to obtain a conviction - either by a guilty verdict or plea. Approximately 3,000 criminal prosecutions per year provide a deterrent effect and signals to our compliant taxpayers that fraud will not be tolerated.



V. State Departments of Taxation

Statewide Crackdown Nets Multiple Arrests and Jail Time for Bad Tax Preparers

State Tax investigators Conducted Undercover Operations and Analyzed Refund Audits to Uncover Illegal Filings

The New York State Department of Taxation and Finance announced the results of a recent statewide crackdown on bad tax preparers.

Three preparers were charged with filing fraudulent returns. A fourth preparer was sentenced to jail time for preparing returns on behalf of others without registering with the Tax Department. Another preparer pleaded guilty to failing to file his own tax returns and pay the proper amount owed to New York State.

“Our investigators and fraud-prevention teams aggressively pursue unethical tax preparers who take advantage of their clients or otherwise flout the law for personal gain,” said Acting Commissioner of the New York State Department of Taxation and Finance Amanda Hiller. “We will continue to work with all levels of law enforcement to bring these preparers to justice.”

Erie County CPA admits to crime relating to his failure to file his own tax returns for three consecutive years

James Hughes, 60, of Williamsville, NY, a CPA, on February 7, 2023, was convicted of attempted failure to file his own personal tax returns for tax years 2016, 2017, and 2018. He was arrested for not filing those returns. Hughes made full restitution to New York State.

Erie County District Attorney John J. Flynn said, “Falsifying or failing to submit your personal income tax returns is a crime. Not only will you be prosecuted, but you will be required to pay restitution. Thank you to the New York State Department of Taxation and Finance for working alongside my office on this investigation.”

Tax preparer violates probation, sentenced to eight months in jail

Raul Martinez, owner of Apollo Tax located at 170 Dyckman St., New York, NY, was recently sentenced to eight months in jail for violating his probation related to previous tax crimes.

In November 2021, Martinez was convicted of multiple felonies including criminal tax fraud, grand larceny, and filing fictitious returns. As part of his plea agreement, he was barred from preparing returns for anyone other than himself, which he ultimately violated on numerous occasions in subsequent years.

Three downstate preparers arrested, accused of filing bogus returns

On January 26, 2023, Sergey Yassiyevich, age 65, was arrested at his tax preparation business located at 421 Brighton Beach Ave., Brooklyn. Yassiyevich, acting as a ghost tax return preparer, is alleged to have prepared multiple tax returns that contained false information during an undercover operation that occurred in May of 2022.

A ghost tax return preparer is someone who does not sign tax returns they prepare as required. Ghost preparers often claim false dependents or claim fake or inflated deductions to boost the size of a refund. Some ghost preparers may even direct those refunds into their own bank account, and not the taxpayer's.

Yassiyevich is charged with offering a false instrument for filing as well as criminal tax fraud, both felonies.

Another downstate tax preparer, Jesus Abinader, 41, was arrested on February 7, 2023. He's charged with grand larceny, scheme to defraud, and offering a false instrument for filing.

Tax Department investigators have accused Abinader of filing fraudulent tax returns for clients with inflated expenses out of his tax preparation business, AB Multiservices and Income Tax, located at 182 Sherman Ave., New York, NY.

Another preparer, Joseph Clay, 49, of Suffern, NY was arrested on January 30, 2023. He's accused of filing returns with bogus Individual Retirement Account (IRA) deductions at Prime Tax & Professional Services, LLC, located at 73 Market St., Ste. 376, Yonkers, NY.

During an undercover operation in April of 2022, Clay allegedly prepared tax returns for tax years 2019 and 2021 with fictitious deductions. He's charged with two counts of offering a false instrument for filing and two counts of criminal tax fraud.

Verify your tax return preparer's credentials

Certain tax return preparers must register annually with the Tax Department and post copies of their current *Registration Certificate*.

File a complaint

If you feel your tax preparer is not meeting their obligations, you can [file a complaint](#) online with the Tax Department's Office of Professional Responsibility.

Jury Vote

	<u>Innocent</u>	<u>Guilty</u>	<u>If Guilty – Sentence/Action</u>
<u>Case #1</u>			
<u>Case #2</u>			
<u>Case #3</u>			
<u>Case #4</u>			
<u>Case #5</u>			
<u>Case #6</u>			
<u>Case #7</u>			
<u>Case #8</u>			
<u>Case #9</u>			
<u>Case #10</u>			
<u>Case #11</u>			
<u>Case #12</u>			
<u>Case #13</u>			
<u>Case #14</u>			
<u>Case #15</u>			

IV.
Judge, Jury and Executioner

I. Michigan Tax Return Preparer Agrees to Preliminary Injunction

A federal court in the Eastern District of Michigan has endorsed an agreed preliminary injunction barring a Detroit-area tax return preparer and her businesses from preparing federal tax returns for others until the date on which trial on whether a permanent injunction is warranted occurs.

The preliminary injunction was entered against Annetta Powell and her tax preparation businesses, known to customers as “The Tax Experts,” and registered to do business in Michigan under varying entity names: Alliance Tax Services, Inc., Nationwide Tax Services, Inc., Tax Expert Stores, Inc., United Tax Services, Inc., Top Financial Specialists, Inc. doing business as The Tax Experts, United Financial Team Corporation doing business as The Tax Experts, and Speedy Tax Stores Corporation doing business as The Tax Experts. The preliminary injunction also enjoins Jasmine Powell from preparing or filing federal tax returns. According to the amended complaint filed against the defendants, Powell and her companies had prepared returns that, among other things, reported inflated or fraudulent business losses, claimed false or inflated earned income credits, reported fraudulent filing statuses, and claimed improper education credits, all of which resulted in tax refunds to which customers were not entitled. According to the amended complaint, the fraudulent tax returns that Powell and her business prepared for customers cost the United States over one and a half million dollars in tax revenue.

Deputy Assistant Attorney General David A. Hubbert of the Justice Department’s Tax Division made the announcement.

Taxpayers seeking a return preparer should remain vigilant against unscrupulous tax preparers. The IRS has information on its website for choosing a tax preparer, has launched a free directory of federal tax preparers, and offers information on how to avoid “ghost” tax preparers, whose refusal to sign a return should be a red flag to taxpayers. The IRS also offers 10 tips to avoid tax season fraud and ways to safeguard their personal information.

In addition, IRS Free File, a public-private partnership, offers free online tax preparation and filing options on IRS partner websites for individuals whose adjusted gross income is under \$72,000. For individuals whose income is over that threshold, IRS Free File offers electronic federal tax forms that can be filled out and filed online for free.

In the past decade, the Tax Division has obtained injunctions against hundreds of unscrupulous tax preparers. Information about these cases is available on the Justice Department’s website. An alphabetical listing of persons enjoined from preparing returns and promoting tax schemes can be found this page. If you believe that one of the enjoined

persons or businesses may be violating an injunction, please contact the Tax Division with details.

II. Mississippi Tax Preparer Sentenced to Prison for Filing False Client Returns

A Mississippi man was sentenced today to 27 months in prison for preparing false tax returns for his clients.

According to court documents and statements made in court, Orland Reed worked at a Gulfport tax return preparation business. Between 2012 and 2014, Reed prepared tax returns for clients that included one or more false items, including false education credits, dependent information, federal income tax withholdings, and retirement contributions in an effort to generate larger refunds from the IRS than the clients were entitled to receive. At times, Reed also listed a different tax preparer even though he prepared the returns himself.

In addition to preparing false tax returns, on at least two occasions Reed misappropriated portions of his clients' refunds that were sent by the IRS to the tax preparation business in the form of prepaid debit cards. Specifically, Reed withdrew some of the funds on the cards before delivering them to the clients.

In addition to the term of imprisonment, U.S. District Judge Taylor B. McNeel ordered Reed to serve one year of supervised release and to pay \$69,185 in restitution to the United States.

Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and United States Attorney Darren J. LaMarca of the Southern District of Mississippi made the announcement.

IRS-Criminal Investigation investigated the case.

Trial Attorney Kevin Schneider of the Tax Division and Assistant U.S. Attorney Stan Harris for the Southern District of Mississippi prosecuted the case.

III. Riverton Tax Preparer Sentenced to Federal Prison for Tax Fraud

SPRINGFIELD, Ill. – A Riverton, Illinois, man, Jason Hines, 50, of the 100 block of East Menard Street, was sentenced on February 1, 2023, to 18 months in federal prison, to be followed by 36 months of supervised release, for fraudulently preparing 34 federal tax returns for 20 clients resulting in a state and federal tax loss of \$194,910.00. He was also ordered to pay restitution in the full amount of the loss.

During the sentencing hearing in front of United States District Judge Sue E. Myerscough, the judge considered information including that Hines had willfully prepared fraudulent tax returns often falsifying information pertaining to business property loss amounts and education credits.

A federal grand jury returned a twelve-count indictment against Hines in March 2020, which included ten counts of aiding and assisting in the preparation and presentation of false and fraudulent individual income tax returns and two counts of wire fraud. Hines pleaded guilty to one count of false and fraudulent statements and one count of wire fraud in June 2022. Hines had remained on bond since his initial appearance in May 2020.

The statutory penalties for the most serious count of conviction – wire fraud – were up to 20 years in prison, up to 36 months of supervised release, and up to a \$250,000 fine.

The case investigation was conducted by the Internal Revenue Service – Criminal Investigations Division and the Illinois Department of Revenue. Assistant U.S. Attorney Timothy Bass represented the government in the prosecution.

IV. Texas Tax Preparer Guilty of PPP Fraud and Tax Conspiracy

A professional tax return preparer in Texas recently pleaded guilty to “engaging in a multi-year conspiracy to prepare and file false tax returns on behalf of clients and obtaining a fraudulent loan under the Paycheck Protection Program” (“PPP”). The proceeding was held before U.S. Magistrate Judge Jeffrey C. Manske.

According to court documents and statements made in court, between 2012 and 2017 Labanda Loyd, of Waco, managed two tax return preparation businesses and also worked as a return preparer. Loyd conspired with others at both businesses to prepare and file false returns that fraudulently claimed refunds the clients were not entitled to receive. As a manager, Loyd personally instructed some of her co-conspirators how to prepare false tax returns.

For some clients, Loyd and her co-conspirators completely fabricated wage and tax withholdings. For others, they altered the wages and withholdings legitimately reported to the IRS by their employers. Loyd’s co-conspirators include Lashamekwa Alexander, Deidra Brandon, Melissa Johnson, Shaterian Parr, Jaleesia Sais, and Tevin Thompson, all of whom have pleaded guilty to the tax conspiracy or other crimes. In all, the co-conspirators caused a tax loss exceeding \$1.8 million.

Loyd also pleaded guilty to wire fraud stemming from her false application in 2021 for a PPP loan. On the application, Loyd falsified her business’s actual gross income and included false documents to corroborate the fabricated income. As a result, Loyd received approximately \$18,000 in PPP funds.

Loyd faces a maximum penalty of five years in prison for the conspiracy charge and twenty years in prison for wire fraud. She and her co-conspirators are all scheduled to be sentenced on March 15, 2023. A federal district court judge will determine any sentences after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Deputy Assistant Attorney General Stuart Goldberg of the Justice Department's Tax Division made the announcement.

IRS-Criminal Investigation is investigating the case. Trial Attorneys Patrick Elwell, Matthew Hicks, and Wilson Stamm of the Tax Division are prosecuting the case.

V. Columbus, GA Return Preparer Pleads Guilty

A tax preparer based in Columbus pled guilty to submitting false tax credit claims for her clients and failing to pay personal taxes, according to the United States Attorney's Office for Middle District Georgia.

Nadine Word, 35, pled guilty on Feb. 2 to a count of aiding and assisting in the preparation and presentation of false and fraudulent individual income tax returns and one count of willful failure to file return, supply information or pay tax.

Court documents show between at least 2014 and 2018, Word prepared then submitted fraudulent tax returns out of her business, Superior Taxes. The Attorney's Office states during this time period, Word also did not file her own taxes.

According to the Attorney's Office, Word's most common fraudulent claim was education credits involving people who did not actually attend the school listed on the tax form. Analysis of the relevant tax returns showed 408 of 494 claims Word filed did not have supporting education records for the listed institution.

Additionally, the IRS looked at 31 individual returns to find false education credits, false earned income credits and false business expenses — these returns all included at least one false item.

The total tax loss amounts to \$586,565.

VI. Federal Court Permanently Enjoins Tax Return Preparer in Florida

The U.S. District Court for the Southern District of Florida has permanently enjoined a Miami-based tax return preparer from preparing returns for others and from owning, managing, or working at any tax return preparation business in the future.

The court entered judgment against Arnold Zio after he failed to respond to the government's suit. The terms of the order require that Zio, individually and doing business as Platinum Citizens Financial, LLC and FTP Tax Services, send notices of the injunction to each person for whom he prepared federal tax returns after January 1, 2016, and post the injunction in places where he conducts business, including social media accounts and websites. The order also provides that the United States may monitor Zio's compliance with the injunction.

The civil complaint filed against Zio alleged that he prepared tax returns claiming fabricated business income and expenses, as well as claiming various false tax deductions, including charitable contributions. It also alleged that Zio, without authorization, diverted customer refunds into his own bank account and failed to return COVID-19 stimulus funds that were improperly deposited into his account. According to the civil complaint, Zio claimed over \$850,000 in falsified or inflated deductions on his customers' tax returns, claimed at least \$545,000 in falsified or inflated business losses, and diverted at least \$188,000 from his customers' refunds into his own bank account.

Deputy Assistant Attorney General David A. Hubbert of the Justice Department's Tax Division made the announcement.

VII. Defendant Accused of Helping Community File False Tax Returns for a Profit

Court documents reveal that Beau Wesley Gensmer, of Prior Lake, owned a consulting company and is accused of using false information to prepare income tax returns for members of the Shakopee Mdewakanton Sioux Community, a Native American tribe that owns Mystic Lake and Little Six Casinos outside of Minneapolis.

From 2014 to 2018, Gensmer allegedly convinced tribal members to hire him to assist in the preparation and filing of their tax returns and allegedly emailed false information to an Alaskan return preparer, who used the information to prepare the tax returns. The false entries in the tax returns claimed fraudulent business losses and charitable contributions, which allegedly resulted in tax refunds that averaged over \$100,000 per client. The indictment alleges that Gensmer received approximately 30% of each inflated tax refund, causing a tax loss to the IRS of more than \$1.5 million.

If convicted, Gensmer faces a maximum penalty of 20 years in prison for each count of wire fraud and 3 years in prison for each false tax return charge. The defendant will appear before a U.S. Magistrate Judge for the District of Minnesota for his initial court appearance and a federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.