

FINAL

Tax & Finance Society Program: “Keeping it Civil: How to Prevent an IRS Audit from Becoming a Criminal Investigation”

Atlanta, May 5, 2008: Chamberlain, Hrdlicka, White, Williams & Martin, a leading law firm specializing in Federal tax controversies, advised high-tech executives at a Technology Association of Georgia (TAG) program for the Tax & Finance Society (TFS) to proceed with caution when dealing with an IRS audit.

According to George Abney, a former prosecutor who is now a Chamberlain Hrdlicka tax controversy attorney, “Until very recently, the IRS would not take any civil action against a taxpayer if that taxpayer was under criminal investigation. Under new IRS policies, however, the IRS now conducts civil and criminal investigations of the same taxpayer simultaneously. Making matters worse, IRS auditors and collection agents are not allowed to tell taxpayers they are under criminal investigation – even if the taxpayers ask.”

“Taxpayers facing an audit now find themselves in a Catch-22 position,” says Abney. “If they cooperate during a civil audit, they could incriminate themselves in an undisclosed criminal investigation. If they do not cooperate but instead assert Constitutional privileges, they may lose the opportunity to defend themselves during the audit and in subsequent civil proceedings.”

The TAG Tax & Finance Society presentation was titled: “Keeping it Civil: How to Prevent an IRS Audit from Becoming a Criminal Investigation”. The program was led by Chamberlain, Hrdlicka, White, Williams & Martin tax controversy attorney, George Abney. The 3 panel members were: Danny Griffin, attorney and former prosecutor, Miller & Martin law firm; Joe Burby, attorney and former prosecutor, Powell Goldstein, LLP and Greg Esslinger, former FBI agent, FTI Consulting.

The primary points of the panel discussion that executives in the technology industry should know are:

- **Proceed with Extreme Caution:** due to changes in IRS policies implemented in 2007, the IRS now conducts civil and criminal investigations simultaneously. Executives must be especially careful regarding your employment taxes – this is the most likely area of scrutiny by the IRS. Outside the U.S., executives must use extreme caution when opening international offices and should seek help from firms that know the local laws.
- **Assess the Damage:** immediately upon being contacted by the IRS, conduct a thorough internal audit/investigation.

- **Fix the Problem:** based on your audit or investigation, implement a compliance program to demonstrate good faith to show the IRS that your company is committed to fixing the problem.

About Technology Association of Georgia

The Technology Association of Georgia (TAG) is a non-profit organization whose mission is to support its members by generating opportunities for personal, professional and business growth. By forging strategic alliances, TAG serves as a primary catalyst to foster a rich environment for economic development in Georgia's technology community. TAG is made up of 3200 members representing technology leaders from over 1500 Georgia-based companies, affiliated technology and business organizations. For more information on TAG, visit <http://www.tagonline.org/>

About Tax and Finance Society

The Tax and Finance Society of TAG is focused on addressing the challenges of today's technology executive in understanding the many dimensions of Finance and Administration industry standards and best practices. The society's mission is to bring together business leaders around timely and thought provoking topics and allow the dynamics of knowledge-sharing to occur. For more information on the TFS mission and 2008 programs, please go to: <http://www.tagonline.org/tag-tax-finance.php>

About Chamberlain Hrdlicka

Chamberlain Hrdlicka is a diversified business law firm with offices in Houston, Atlanta and Philadelphia. The firm represents both public and private companies as well as individuals and family owned businesses across the nation. In addition to tax planning and tax controversy, the firm offers corporate, securities and finance, employment law and employee benefits, energy law, estate planning and administration, international and immigration law, commercial and business litigation, real estate and construction law.

For more information on Chamberlain Hrdlicka, please visit www.chamberlainlaw.com.