

TAX INVESTIGATIONS & DEFENSE

In the current environment of greater tax-related accountability, companies, directors, officers, employees, and individuals are facing increasing government scrutiny and more severe criminal and civil penalties. Hodgson Russ's tax investigations and defense attorneys have the substantive knowledge, negotiating skills, and trial experience required to help guide our clients through the entire tax defense process.

Our attorneys draw on their knowledge of all areas of federal, state, and New York City tax law as they respond to subpoenas and investigative demands, defend clients at depositions and interviews, represent clients during residency audits, and counsel clients about their obligations under various government regulatory guidelines.

Hodgson Russ attorneys provide representation in grand jury proceedings, federal and state investigations, and revenue crimes bureau and special investigation unit examinations, as well as before audit divisions that include the New York State Department of Taxation and Finance and the New York City Department of Finance.

Whether the tax in question is income, corporate, sales and use, withholding, gift and estate, cigarette and tobacco, unincorporated business, or motor fuel, we have extensive experience in navigating the complex and murky waters of the tax codes. Our attorneys also defend businesses and individuals accused by whistleblowers of violations of the newly enacted New York State False Claims Act and the federal False Claims Act.

We have successfully defended corporations, partnerships, and individual clients under investigation for or charged with alleged violations of a wide variety of offenses, including:

- Tax shelter abuses
- Money laundering and check kiting
- Unreported income and fictitious expenses
- The misappropriation of sales tax and employment tax trust funds
- Tax fraud
- Non-filing
- Household-help issues
- Employee misclassification

Contact

James Bandoblu Jr.
561.656.8009
jbandobl@hodgsonruss.com

Professionals

Attorneys

James Bandoblu Jr.
William Comiskey
Debra Herman
Mark Klein
Michelle Merola

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- Payments “off the books”
- False statements and false claims
- Evasion
- Structuring
- Obstruction
- Department of Labor audits

Our goal is to use our experience and creativity to resolve tax issues before charges are filed and investigations become public. Our understanding not only of the tax codes but also of the systems and processes often helps reach a desirable outcome. When litigation is necessary, our clients benefit from our extensive experience appearing before courts at all levels and from our willingness to work tirelessly to try to obtain the most favorable outcome possible.

Among the frequently asked questions we receive are:

- Tax agents have shown up unannounced and want to talk to me or my employees. What should I do?
- What is a grand jury investigation, and why have I received a subpoena?
- Investigators are asking questions and requesting documents about me and my business. What does this mean?
- What is voluntary disclosure, and should I do it?
- Do I have an innocent-spouse defense?
- Should I sign consent to extend the statute of limitation?

Prospective clients are urged to seek our counsel before responding to inquiries or making statements to investigators or auditors. Communications with our attorneys are confidential and privileged.

Hodgson Russ has been awarded prestigious “Best Law Firm” rankings by *Best Lawyers/U.S. News & World Report* in the categories of National Tier 2 Tax Law and Litigation – Tax, Metropolitan Tier 1 Tax Law, and Metropolitan Tier 2 Litigation – Tax.

Experience

Representation of Various Businesses and Taxpayers in Federal and State Administrative and Criminal Tax Investigations, Reviews and Audits, with Matters Resolved by Amendment of Returns, Successful Conclusions of Audits, and Resolutions.

In the News

New York Tribunal Says Siblings Received Distributions, Not Loans
Tax Notes, March 4, 2022

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Tax Fraud Charges Against Queensbury Businessman Dropped

Post-Star, April 5, 2012

Hodgson Russ Helps Clear Albany-Area Business Owner of Tax Fraud Charges

April 5, 2012

Hodgson Russ Formalizes Tax Defense Capabilities by Forming Practice Group

April 7, 2010

Press Releases

Hodgson Russ Earns Five National-Level Rankings in *U.S. News & World Report*/Best Lawyers 'Best Law Firms' Report

Press Release, November 18, 2015

Attorney Timothy Noonan Lends Tax Litigation Know-How to Major Legal Publication

Press Release, October 21, 2015

Publications

New York Criminal Tax Investigations

The CPA Journal, October 2009

Criminal Investigations Increase as DOJ Steps Up Employment Tax Enforcement

Business Litigation Alert, June 2, 2009

Presentations & Events

Advanced *Kovel* Issues for Accountants

December 8, 2020

Refresher on *Kovel* Accountant Issues and Subpoenas

October 22, 2020

2020 Hodgson Russ/CCH (Summer) Tax Webinar Series

Wednesdays, May 6 - June 17

Update on IRS Foreign Information Reporting and Tax Prosecutions

The Harvard Club NYC 35 W. 44th Street, New York, NY, October 30, 2019

2019 Summer Tax Series

Understanding New York State Tax Issues of 2019

The Harvard Club 35 W. 44th Street, New York, NY, June 12 - August 7, 2019

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New York State Tax Update

Brooklyn, NY, January 21, 2016

Worker Classification Update: The Latest Developments in Employee Versus Independent Contractor Issues

New York, NY, September 26, 2013

Worker Classification Update: When Are Independent Contractors Actually Employees?

New York, NY, May 22, 2012

Avoiding and Responding to New York Criminal Tax Audits and Investigations

Uniondale, NY, January 27, 2010

2009 New York Summer Seminar Series

June & July 2009