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## **HOW TO SURVIVE AN IRS AUDIT INTERVIEW**

By Victor Sy, CPA

Here are some tips in responding to questions by an auditor. You have a better chance of survival if you learn how to respond. You even have a better chance to survive if you learn how auditors conduct interviews - *from auditor's point of view*.

### How You Should Respond to IRS Agent:

1. Do not volunteer information.
2. Answer questions honestly.
3. If you do not know the answer, just say "I don't know" or "I don't remember."
4. If a question is not clear, pause for a moment to give your representative (CPA, lawyer, or enrolled agent) a chance to clarify, object to, or reword the question.
5. If you don't feel comfortable, ask for a short break to discuss with your representative in private.

### How the IRS Agent is Trained to Interview You:

1. Establish rapport with you, the taxpayer.
2. Maintain a friendly and professional demeanor.
3. Recognize that an IRS audit is often a once-in-a-lifetime experience for the taxpayer, so the taxpayer may be tense or nervous. Stay away from an attitude that the taxpayer is afraid because he/she is "hiding" something.
4. Use a fixed pattern of interview or rely on an outline. The outline serves only as aid and not as substitute for spontaneous questioning. If you use an outline, provide enough leeway to cope with any situation that may occur and to develop leads that may arise.

Look for pertinent leads. Follow up any answer that is not complete or to the point on any pertinent matter by questioning the taxpayer on his/her knowledge on the topic.

5. To obtain answers that are complete and accurate:
  - Ask questions that require narrative answers, avoiding "yes" and "no" questions whenever possible.
  - Avoid leading questions.
  - Question the taxpayer about how he/she learned what he/she states to be fact.
  - Concentrate more on the answer than on the next question.
  - To maintain control of the interview, establish the pace and direction, and continually assess whether the taxpayer is giving pertinent information or rambling.